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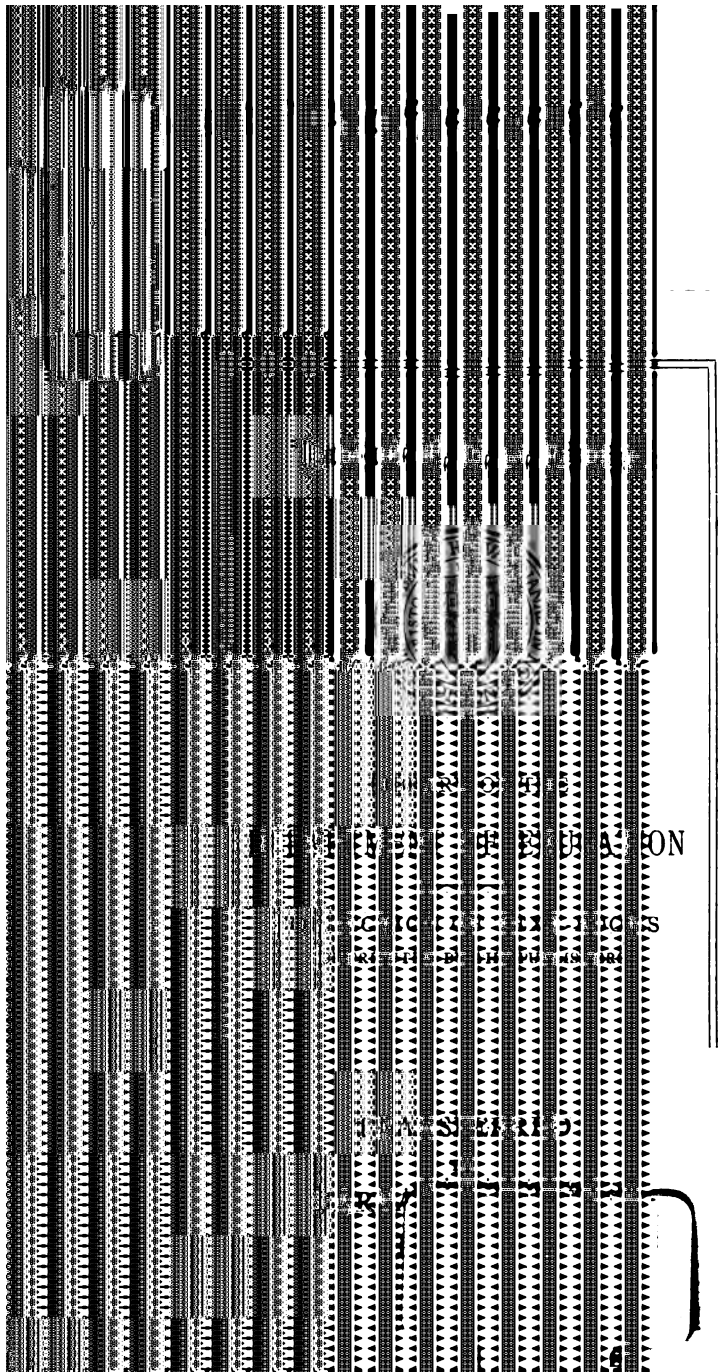
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LIPPINCOTT'S
THRIFT TEXT SERIES

EDITED BY
ARTHUR H. CHAMBERLAIN
CHAIRMAN, COMMITTEE ON THRIFT EDUCATION OF THE N. E. A.

FIRST LESSONS IN BUSINESS

BY
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DEAN, SCHOOL OF COMMERCE, OREGON AGRICULTURAL COLLEGE

LIPPINCOTT'S THRIFT TEXT SERIES

EDITED BY ARTHUR H. CHAMBERLAIN

EXECUTIVE SECRETARY CALIFORNIA COUNCIL OF EDUCATION

**HISTORY OF THE THRIFT
MOVEMENT IN AMERICA**

BY S. W. STRAUS

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EDITOR'S INTRODUCTION

ONLY a short time ago and the person who talked or practiced thrift, who advocated economy and saving in any form, was spoken of by the great majority as stingy or close or penurious or grasping. It was as much a work of distinction to be lavish and profligate and wasteful as it was a badge of discredit to be economical and saving. In America, particularly, the get-rich-quick tendency has led to the "easy come, easy go" way of living. And our social customs have so developed that those in advanced age, and without the means of financial support, are given care and protection by the State. Private benefactions, community enterprises, organizations, churches and foundations, have, for years, practiced a most beneficent paternalism, and convinced many, who believed that the "world owed them a living," that, if it did not give it, they should be properly taken care of during their declining years.

Fathers and mothers, who have themselves been forced to work for a living, have too often looked with jealousy and envy upon the sons and daughters of the wealthy. The poor in purse resolve that their children shall not go through the same grind to which they have been subjected. Laudable as this ambition may be, such parents have looked upon the "white collar" occupations as the only dignified pursuits. Themselves lacking the culture that is given in the schools, they have chosen for their children the Latin and Greek and

Algebra, leading, as they have thought, to the professions, rather than selected the more common, useful studies of the trades and industries, and of all life pursuits.

The crux of the matter is that the first lessons these boys and girls should be given are lessons in thrift and saving. They should be taught to use what they have to the best advantage. Economy should be taught in the home. The best teaching of thrift and economy is the living of these virtues. Boys and girls should from the very first be led to see that, if others save for them, they too should save, not alone for themselves, but for others. Never must they see the animating motive as selfishness. To be miserly is a crime rather than a virtue. They must understand that to be wasteful is wicked. To waste means to rob others and is wrong. They may be led to understand that the practice of thrift leads to plenty, while waste means poverty. Health, happiness, prosperity, pleasures, leisure and strong moral fiber are the resultants of a thrifty life.

Not alone the less well-to-do, but the wealthy classes as well, need these lessons in thrift. Many who start out in life with large financial outlook and unlimited credit, find themselves, through circumstances for which they alone are responsible, hopelessly in debt. Having established so firmly the habit of mistaking luxuries for necessities; of living on the earnings of others; of assuming they belong to a privileged class, they with great difficulty force their way into the stream of wage-earners. They have never understood that no one can be a safe member of society who in one way or

another does not make his contribution to the social whole. The world has no place for the parasite.

The great crisis through which we are now passing is teaching us anew the lesson of thrift. Every boy and every girl, rich or poor, in country or city, must early experience the fundamental phases of business. They must save and invest and spend, and hence they must earn. The common business practices they must understand. The elements of cost-finding; of how properly to buy and sell; the keeping of accounts; the banking system—these must be understood by becoming a part of their education, through actual participation in them.

This book of Dean Bexell on "First Lessons in Business" tells in simple, concrete fashion the very things the boys and girls should know and why they should know them. Honesty and its results; industry, promptness, courtesy, loyalty, and their significance in the making of a substantial career; the characteristics that enter into success in life are clearly set forth by the author. How to avoid extravagance and waste; how to save and practice thrift; exercises in the keeping of personal and household accounts; and those elements of business forms and practice with which everyone should be familiar—all are given in a series of lessons so excellently graded and arranged as to appeal to adult and pupil alike. Teachers and fathers and mothers generally and the older family members will find the chapters on personal characteristics charmingly readable, and those on the specific and technical business phases, including those on banking, highly valuable and instructive.

This volume in the thrift series will meet an immediate and imperative need. It is offered in the firm conviction that the American people, through the severe lessons of the great war, have learned something of the need for thrift, and that there is a more general realization than ever before that the principles of thrift teaching, begun in the home, should be continued in the school. That the book will help to solve a most trying and complex problem we have faith to believe.

ARTHUR H. CHAMBERLAIN

SAN FRANCISCO, CAL.
January, 1919

PREFACE

IN writing "First Lessons in Business," the author has had two principal thoughts in mind: First, the development of character, which all must agree is the keystone in building a business career; and, second, the introduction of simple thrift lessons which should inspire the pupil with the conviction that economy, self-denial and prudence are first essentials in the development of a successful business career.

The present crisis in economic readjustments and the social unrest the world over has given an opportunity for emphasizing the great lessons in thrift which has never been equaled in the history of education. The time seems ripe for an attempt through the public schools and through the younger generation to change the attitude of mind of the American people from that of a thoughtless, wasteful, ease-taking people to a prudent, thrifty and industrious nation. Thus will the appeals for sacrifice and thrift to meet a national crisis be capitalized into one of the most valuable assets of the American people.

The lessons are intended primarily for the eighth and ninth grades. Care has been exercised, therefore, to exclude everything which would be too difficult for young pupils. The simple lessons in accounts, business forms, and business organization will be valuable to those who are unable to pursue a longer business course, but they are not intended in any sense as a satisfactory course in business training.

While an attempt has been made to arrange the lessons in logical sequence, the author would suggest that teachers may

find it advantageous to change the order of the lessons to suit their classes, particularly if the time allotted to the study should be inadequate to complete the entire text. The resourceful teacher will also supplement the exercises with many discussions and assignments which are suited to the occasion and to the environment of the pupils.

The author is grateful to the many friends who have assisted in the preparation of the lessons. He is particularly indebted to Director F. G. Nichols for furnishing the greater part of the first eight lessons and for valuable suggestions; to the Roycrofters for permission to include that inimitable lesson in dependability, "Carry a Message to Garcia"; to Professor E. B. Lemon for collaborating in the lessons on Household Accounting, and to Arthur H. Chamberlain for his Introduction to the lessons, and for editorial work.

J. A. BEXELL

OREGON AGRICULTURAL COLLEGE,
January, 1919

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FIRST LESSONS IN BUSINESS

LESSON 1*

INTRODUCTORY

BUSINESS may be defined in a general sense as any vocation in which one may be engaged. In a narrow sense it is the exchange of commodities for the purpose of making a profit. A business transaction is an exchange of values.

Choosing a Business.—It is desirable for one to put off the selection of a life-work until he has a very clear idea as to the kind of work he desires and finds out what he is best fitted to do well. However, those who choose their vocations early have the advantage of securing special training that will help them win success in after years. Even though a vocation is chosen early, a pupil should secure in addition to the special training for that vocation all the general education that he can. Trained minds are needed in business today; clerical skill alone will not be sufficient.

One of the main factors in the selection of a business position is the opportunity for advancement offered. Then, too, the standing of the firm, the character of the business, the future outlook for the business, and many other considerations must be kept in mind. To help you in your choice, local business conditions will be studied. Under the direction of your teacher, all the positions open to grammar and junior high-school graduates will be discovered and listed.

*The greater part of the first eight lessons was prepared by Director F. G. Nichols.

The various duties required in these positions will be learned so that an adequate preparation for the performance of such duties may be given.

We shall use the retail business as the basis of our first lessons because it is the one with which you are most familiar. You have bought things of the grocer and you know something about how his business is conducted. You have also visited the large department stores and probably know something about the way in which these large enterprises are carried on. A department store is really made up of a large number of retail stores under one management. Each store, when so conducted, is called a department. Each department has its manager who is responsible for its success.

In one way the retail stores represent the largest opportunity for boys and girls of grammar-school age because there are more of them and much of the labor they require is of the unskilled or semi-skilled type. Messengers, office boys, check girls, bundle boys, shipping clerks, receiving clerks, delivery boys, etc., are required in great numbers. If the business is a large one and is well organized there are probably excellent chances for advancement. Then, too, the one who learns a retail business thoroughly may look forward to the time when he can have a business of his own as a retail business may generally be started on a very small scale, requiring small capital at the outset. Another advantage is that in almost every community there are numerous opportunities to start a new retail business or to purchase one that is already established.

The business which affords the best chance for ultimate independence is generally considered to be the one most desirable for young people who, when selecting a position, have

their future welfare in mind. On the other hand, experience gained in any kind of business may be used advantageously in any other kind if it becomes desirable to change after making your first selection. As early as possible in your business career make a connection with the firm in whose hands you are willing to trust your future; or with a good firm in a kind of business which you would like to adopt for your own when you have secured the necessary capital to begin business for yourself. Think over the matter of your future very carefully, talk with your parents and teachers, and form a purpose or plan for the future as early as possible. Remember that with each succeeding year, business demands greater training and breadth of education. Include in your plans for the future as many years of school work as the economic conditions of your home make possible. Even after you have finished your day-school work and have taken your place among the workers in the business world, plan to attend evening school for such advanced training as may not have been secured in your day-school course.

It is not the intention of this course to enter into a discussion of store management. However, the location of the store, cleanliness of the premises, interior arrangement, ventilation, lighting, heating, show-window displays, politeness of the clerks, orderliness and reputation for fair dealing are among the most important considerations in retail business. You are, therefore, asked to investigate some store which will be assigned to you by your teacher and to fill out the score card as shown below, using your own judgment as to the score to be given on each point. For example, if the cleanliness of a store is entirely unsatisfactory, perhaps you will give it only 5 points out of 10, or if it is fair, as in the score card, 9 points

out of 10. The perfect score would be 100 and a score which would be entirely unsatisfactory would probably be somewhere near 60 or 70.

EXERCISE 1

The teacher should assign stores to be visited by different groups of pupils and ask them to report on what they find. If there is no department store in the community, any store will answer the purpose. The pupil should name the departments. How old is the store? Is it owned by an individual, a partnership, or a corporation?

Rule a slip of paper and rate the store on the following points:

SCORE CARD ON RETAIL STORE

Question	Perfect Score	Sample Score	Pupil's Score
1. Location	10	8	.....
2. Cleanliness	10	9	.....
3. Arrangement of goods and equipment	10	8	.....
4. Ventilation	10	6	.....
5. Lighting	10	7	.....
6. Heating	10	8	.....
7. Show windows	10	5	.....
8. Politeness of clerks	10	10	.....
9. Orderliness	10	9	.....
10. Reputation for fair dealing..	10	10	.....
Score	100	80	

EXERCISE 2

In any good dictionary, look up the definitions of the ten terms in the score card. Write down the definitions, learn the spelling of the words, and come prepared to discuss them at the next recitation.

LESSON 2

BUSINESS QUALIFICATIONS

BUSINESS men are much more concerned about the personality of a boy or a girl than they are about the technical training. It is of the utmost importance, therefore, that all young people keep in mind the necessity for a conscious development of character. There are few people in the world who could not improve their characters by study and practice. In this business course the success qualities required by business men will be kept well to the front in all your work. You should consider the duties that are assigned to you from day to day as opportunities for the practice needed to form correct business habits. A few of the more common success qualities are given and discussed below. It is not only important that you know what they are but that you should also practice their application until they have become habitual. It is readily understood that all business people must be punctual in keeping appointments, performing tasks and the like by force of habit and not merely by reason of constant attention to this matter. In early life, habits are being formed daily, and it is very important that young people who intend to become business men or women should give much attention to this phase of their training.

Among the more important success qualifications are:

- | | | |
|--------------------------|-------------------|-------------------|
| 1. Honesty | 4. Industry | 8. Initiative |
| 2. Courtesy | 5. Promptness | 9. Loyalty |
| 3. Clean personal habits | 6. Thoughtfulness | 10. Ambition |
| | 7. Enthusiasm | 11. Dependability |

EXERCISE 3

In any good dictionary, look up the definitions of the above eleven success qualifications. Write down the definitions, learn the spelling of the words, and come prepared to discuss them at the next recitation.

LESSON 3

HONESTY AND COURTESY

Honesty.—This characteristic is placed first, as it is the one universally insisted upon. No reliable business man will employ any young person who, in his school work, has given evidence of dishonesty. Much of the so-called dishonesty in the preparation of lessons may be attributed to thoughtlessness on the part of the student. The business man and the teacher, however, and even the parents, will be likely to consider it as a trait of character that unfits for responsible positions without regard to whether or not it is thoughtlessness or dishonesty.

To be honest with others one must be honest with one's self. Honesty in business demands that the employe give all of his business hours to his employer; that he work up to the limit of his capacity at all times; that he assume responsibility when it is right that he should do so; that he deal fairly with his employer and his fellow-workers; and that he insist on a square deal for himself and for others in all his business relations.

Thoughtful attention to this invaluable characteristic will enable any person to develop a degree of honesty that will secure the confidence of the employer and insure rapid promotion to positions of responsibility and trust.

Courtesy—This, to a large extent, is a natural characteristic, but may be acquired by anyone who will give it thoughtful consideration. Every young person will be brought into close contact with his parents, his teachers, his friends, his

business associates. In all his conduct, in and out of business, he should strive to be courteous. Common-sense and good judgment will usually indicate the kind of conduct that courtesy demands.

The one who goes into business without having acquired the habit of courtesy, as well as a knowledge of what courtesy means, will have difficulty in securing the confidence of his employer and the good-will of his associates. To acquire a habit, continued practice is necessary. Any person who is willing to give attention to this matter can become habitually courteous and can hope to make the most rapid progress in the business world.

The salesman behind the counter who is not courteous to a customer will rarely have a chance to make a second sale to that customer. Since your promotion will depend upon your success, you cannot afford to drive a customer from your counter to that of a fellow-clerk.

In writing letters, talking over the telephone, dealing with your superiors and your equals, there is no occasion for discourtesy. Discourtesy cannot be excused. You have already laid a good foundation for the acquisition of the habit of being courteous. You are urged to practice courtesy in your school work so that, when you secure a position and take your place among the workers of the world, you may find it not only easy, but natural to be courteous at all times and under all circumstances. Keep this business characteristic in mind throughout these lessons in elementary business.

EXERCISE 4

1. What success characteristic is placed first? Why?
2. What is meant by being honest with one's self?
3. Mention several ways in which a student may show his honesty in school work. In business.

4. What is meant by courtesy?
5. Why is this characteristic important?
6. How can you know what is required by courtesy in any given situation?
7. Mention some of the kinds of work in business that require the habit of courtesy for their successful handling.
8. For the acquisition of a good habit, what is required?
9. How may you develop this habit in your school work?

LESSON 4

INDUSTRY

THE habit of being industrious is also necessary to complete success in life. This does not mean that one shall work all the time, but that one's very best effort shall be put forth whether at work or at play.

The habit of industry can be acquired by those who are not naturally industrious. Be interested in your work and try to see how much you can accomplish in a given time. Never allow yourself to take more time than is absolutely necessary for any assigned task. Work industriously and finish the job earlier than you are expected to finish it even though you have nothing else to do for the remainder of the time. There will be hardly a time during business hours when you should be at a loss for something to do. There is nearly always some unfinished task waiting completion for the remnant of time which you may have.

It is quite as important that you do not hurry your work, in the belief that hurry is necessary if you are to be industrious. Careful, thoughtful, rapid work is far more desirable and is productive of much better results. Never permit yourself to waste a single moment of time. In this connection it should also be said that a legitimate amount of recreation is not wasted time. A certain amount of rest is also necessary to insure business efficiency. Industrious habits merely require that you do not dawdle over your work and that you keep busy during the regular working hours of the business day. In your school work see to it that no time during school

hours is wasted. Work steadily and properly at the task that is assigned. Remember that the habit of industry is far more important to you than the facts you are learning in the lessons that are assigned, important though they may be.

EXERCISE 5

1. What is meant by the habit of being industrious?
2. How may this valuable habit be acquired?
3. Is it ever desirable to take more time than is necessary to complete a task? Explain.
4. What can you say about the habit of hurrying?
5. Is recreation necessarily wasted time? Discuss this topic.
6. Discuss the various ways in which this habit may be developed in your school work.

LESSON 5

PROMPTNESS

IN one of the large government departments at Washington there are 10,000 employes. If each one of these employes should be tardy in getting to his work and in completing his task you can readily see the tremendous loss that would result to the government. Business men everywhere realize the importance of being prompt at work and in the completion of work assigned. They have developed a very elaborate but necessary cost-accounting system which reveals every detail of the progress of the work on any job passing through the factory. Time clocks have also been installed and by means of these clocks there is kept a record of the hour at which each employe begins his work and also of the time when he leaves at the end of the day.

Occasional tardiness is of very little importance, but a matter of very great concern is the habit of being late in keeping appointments; in beginning work in the morning or at noon, in making a delivery of goods purchased by a customer, or in doing any of the numerous things in business in which time is an important factor. Take precaution, however, lest the occasional tardiness develop into an habitual one.

Napoleon's secretary arrived five minutes late one day. He excused himself by putting the blame on his watch. "Very well," said the general, "you must either get another watch or I must get another secretary."

In this course it is desired that you develop the habit of being on time. There is only one way to achieve this result

and that is by always being on time. Plan your work in such manner that you will never have to offer excuses for tardiness in the fulfilment of assigned tasks.

EXERCISE 6

1. If each one of the 10,000 government employes should be tardy five minutes in the morning and at noon every day, what, expressed in time, would be the loss to the government each day?
2. The time lost each year would be equal to one work year of 300 days of seven hours each for how many people?
3. How many years would be required for one additional worker to make up the time so lost?
4. What do the above answers indicate?
5. What is the value of the time clock? Why is it necessary? How does it accomplish its task?

LESSON 6

PERSONALITY

PERSONALITY counts for very much in business and it should be remembered that a good personality does not depend upon a fine physique or upon good looks. It depends much more upon one's personal habits and also upon attention to little details in the matter of dress and personal appearance. Opinions are unconsciously formed almost instantly upon meeting people for the first time. You have often heard it said that "first impressions are lasting." In view of this truth it is essential that as an applicant for a position you should try to make a good impression on the prospective employer. It is also equally important that after securing your position you continue to merit the good opinion which your employer holds. You should also try to make a good impression on every new customer with whom you come in contact; and also on your fellow-workers in order that you may secure their coöperation and support in your efforts to succeed. Even in your school work you should strive to make a good impression on your teachers and on your fellow-students. Nothing will help to secure the confidence of all the people with whom you come in contact as will a good strong personality. Without enumerating all the details that should receive attention in the development of such a personality, we shall mention just a few of the more common and important ones.

Whatever contributes to good health on the part of the worker increases that worker's efficiency; and efficiency in

business is today required to a degree far greater than at any time in the past. Efficiency means the doing of the largest possible amount of work with the least possible expenditure of time and energy. It means organized and well-directed effort and thoughtful attention to every detail that may increase the beneficial results of labor, both mental and physical. It is a well-established fact that clean teeth contribute to good health and, therefore, indirectly to efficiency. For this reason alone, even though the appearance is entirely ignored, clean teeth are a business asset. Neglect in this most important matter helps to create an unfavorable first impression. It may indicate lack of attention to and carelessness in other equally important details that have much to do with health and efficiency. Nothing contributes more directly to the condition of health necessary in business than the daily bath. Every person should consider his own needs in this respect and acquire a bathing habit that will mean better personality and more perfect physical well-being.

It has often been said that clean linen and well-brushed shoes make a well-dressed man. While this is not literally true, it is evidence of the fact that attention to small details in the matter of dress adds materially to one's appearance. Neither expensive clothing nor the latest style is essential to a good appearance. It is far more important that you make the most of what you have than that you have much. You owe it to yourself and to your associates to appear as well as you can with the resources at your command.

Many young people have failed to secure good positions because they have neglected their finger-nails, failed to wash their hands properly and to brush their hair. The superintendent of the school department of one of the largest de-

partment stores in the United States recently gave the following directions to a young man who had been sent to him for promotion: "Comb your hair, brush your clothes, wash your hands, clean your finger-nails and report to Mr. A. who will assign you to your new position; if you fail in any of the details suggested you cannot hope to get or hold your new job." All business demands young men and young women with clean personal habits as well as good personal appearance.

Throughout your business course it should be your purpose to cultivate a strong personality by means of persistent attention to the details of dress, etc., to enable you to appear at all times to the best advantage without conscious effort on your part. It should be your purpose to develop the habit of appearing well and not merely the ability to appear well on special occasions. Remember we are studying habits that are essential to business success. It is just as easy, and pays infinitely better, to create a good habit as a bad one.

EXERCISE 7

1. What is meant by the term "personality"?
2. Upon what does one's personality largely depend?
3. What does the expression "First impressions are lasting" mean?
4. What is the importance of this saying in making an application for a position? In holding a job? In keeping old customers and gaining new ones? In school work?
5. Discuss the subject of "health" in this connection.
6. Mention some of the more important details that must receive attention if you hope to develop or keep a good personality.
7. Contrast the importance of actually appearing well at all times, and merely the ability to appear well at certain times.

LESSON 7

THOUGHTFULNESS, ENTHUSIASM, INITIATIVE

Thoughtfulness.—Business men are willing to pay liberally for a thoughtful employe. They are looking for the boy who is interested in their business to the extent that he will use his best thought to promote it. The one who is thoughtful about his work will be quite likely to make “his head save his heels.” It will be our purpose in this course to study to develop the habit of thinking ahead and being on the alert to take advantage of every opportunity to accomplish much with little expenditure of time and energy.

Nothing will help you to cultivate this habit of being thoughtful about your work and ready to take advantage of every situation that arises, for the good of your employer, as will the practice of making a memorandum of every matter which you will be likely to forget at the time when you wish most to remember it. The very act of making a memorandum of an important item fixes it in mind and you will soon find it unnecessary to refer to your notes. This does not mean that you should discontinue the practice of making notes; it merely indicates that your memory is helped by the strong impression made at the time you write the thing you want to remember. Save your time and your employer's time every minute of the business day and you will be rewarded in a substantial manner.

Enthusiasm.—Every boy and girl should cultivate the habit of being enthusiastic about his work and also about his recreation. Men of moderate ability have achieved very

unusual success through the habit of being enthusiastic in their work. They undertake every task with a vim that insures success from the very beginning and they carry others along with them by reason of their enthusiastic methods of doing things. What has been said applies to earnest enthusiasm and not to the noisy kind. This characteristic is of large value in the selling end of business. The enthusiastic salesman will sell more goods than the man who goes about his work in a half-hearted sort of way. Of course it is necessary to be very much interested in the business if you would develop that degree of enthusiasm that will make you successful in a large way. This is one of the reasons why young people should devote considerable time and thought to the matter of selecting the kind of business they would like to undertake as a permanent life-work. The business man today, who is conducting a business that renders the largest possible benefit to the public, as well as profit to himself, is likely to be much happier than one who is in a business that contributes to his own personal gain but does not in any important way contribute to the well-being of the public. Service to the people is the keynote in a large number of business enterprises today. Be sure that you get started in a business in which you can be enthusiastic, and then develop the habit of enthusiasm to the highest possible degree.

Initiative.—The workman who does not need to be bossed is worth more to his employer than two who need supervision. While in school you should develop the habit of finding things to do even though no task has been assigned. There is always some lesson that you can review with profit; some advanced reading that will be beneficial to you; or some other supplementary work at hand if you will only look for it.

No employer wants to have the feeling about his employees that they will do only what they are told and that he must constantly lay out work enough for them to keep them busy during the entire day. Learn to keep yourself busy even though assigned tasks have been completed. You will enjoy your work more and have more time for recreation and improvement. Be thoughtful about this matter and strive upon every occasion to keep yourself from being idle or from doing that which those directing your work would not wish to have you do.

EXERCISE 8

1. What is meant by thoughtfulness?
2. Why is thoughtfulness a business asset?
3. How may the habit be acquired?
4. What is the value of the "memorandum" habit?
5. What is meant by enthusiasm?
6. Why is the habit of being enthusiastic important?
7. About what kind of business could an honest person be enthusiastic?
8. What is the relation between this habit and choosing a vocation?
9. What is initiative?
10. Why is this characteristic of exceptional value in school? In business?
11. How may initiative be developed?

LESSON 8

LOYALTY, AMBITION, DEPENDABILITY

Loyalty.—One of the first requisites in business is coöperation. Loyalty to your superiors is of the utmost importance in securing coöperative effort. Associate yourself only with those in whom you have confidence and to whom you can be loyal. Don't talk about your associates. If you notice their faults try to help them overcome them. Do not talk about your employer's business outside the office—not even to your most intimate friends. Elbert Hubbard has this to say about loyalty:

If you work for a man, in heaven's name work for him; speak well of him and stand by the institution he represents. Remember, an ounce of loyalty is worth a pound of cleverness. If you must growl, condemn and eternally find fault, why—resign your position, and when you are on the outside, condemn to your heart's content—but as long as you are a part of the institution do not condemn it; if you do, the first high wind that comes along will blow you away and probably you will never know why.

Ambition.—No young man or woman should be content to continue indefinitely in the same position. An ambition to grow in ability to do should possess every worker. Become acquainted with the details of your own work and its relation to the work of others with whom you are associated. Also learn all you can about the job next higher up, so that when the opportunity comes along you will be ready for promotion. Don't, however, try to win advancement by trampling on the rights of others, or by trying to pull the other fellow down. No permanent good can come from this method of getting ahead.

Dependability.—All the characteristics which you have been studying may be grouped together under the head of “dependability.” If you are thoroughly dependable, there will be countless opportunities open to you when you are ready to make your entrance into business. The best plan for the successful cultivation of this great characteristic is to consider yourself already in the elementary stages of your life-work, and try every day to habituate the success qualities referred to in these lessons.

Read very carefully next Lesson, “Carry a Message to Garcia.” It is a splendid lesson in dependability.

EXERCISE 9

1. Explain what is meant by loyalty?
2. Give illustrations taken from your school life?
3. What does loyalty require regarding your employer’s private business affairs?
4. What is meant by ambition?
5. How may you best secure advancement?
6. Under what head may all the success qualities be grouped?
7. How may you best acquire the kind of general dependability demanded in business?
8. What is the all-important thing to be remembered in your school work and also in after life?

LESSON 9

CARRY A MESSAGE TO GARCIA*

IN all this Cuban business there is one man who stands out on the horizon of my memory like Mars at perihelion. When war broke out between Spain and the United States, it was very necessary to communicate quickly with the leader of the Insurgents. Garcia was somewhere in the mountain fastnesses of Cuba—no one knew where. No mail or telegraph message could reach him. The President must secure his cooperation, and quickly.

What to do!

Someone said to the President, "There is a fellow by the name of Rowan who will find Garcia for you, if anybody can."

Rowan was sent for and given a letter to be delivered to Garcia.

How the "fellow by the name of Rowan" took the letter, sealed it up in an oil-skin pouch, strapped it over his heart, in four days landed by night off the coast of Cuba from an open boat, disappeared into the jungle, and in three weeks came out on the other side of the Island, having traversed a hostile country on foot, and delivered his letter to Garcia—are things I have no special desire now to tell in detail. The point that I wish to make is this: McKinley gave Rowan a letter to be delivered to Garcia; Rowan took the letter and did not ask, "Where is he at?"

By the Eternal! There is a man whose form should be cast in deathless bronze and the statue placed in every college of the land. It is not book-learning young men need, nor

* By Elbert Hubbard. Courtesy of the Roycrofters.

instruction about this and that, but a stiffening of the vertebræ which will cause them to be loyal to a trust, to act promptly, concentrate their energies: do the thing—"Carry a message to Garcia."

General Garcia is dead now, but there are other Garcias. No man who has endeavored to carry out an enterprise where many hands were needed, but has been well-nigh appalled at times by the imbecility of the average man—the inability or unwillingness to concentrate on a thing and do it.

Slipshod assistance, foolish inattention, dowdy indifference, and half-hearted work seem to be the rule; and no man succeeds, unless, by hook or crook or threat, he forces or bribes other men to assist him; or mayhap, God in His goodness performs a miracle, and sends him an angel of light for an assistant.

You, reader, put this matter to a test: You are sitting in your office—six clerks are within call. Summon any one and make this request: "Please look in the encyclopedia and make a brief memorandum for me concerning the life of Correggio."

Will the clerk quietly say, "Yes sir," and go do the task? On your life he will not. He will look at you out of a fishy eye and ask one or more of the following questions: Who was he? Which encyclopedia? Where is the encyclopedia? Was I hired for that? Don't you mean Bismarck? What's the matter with Charlie doing it? Is he dead? Is there any hurry? Shan't I bring the book and let you look it up yourself? What do you want to know for?

And I will lay you ten to one that after you have answered the questions and explained how to find the information, and why you want it, the clerk will go off and get one of the other clerks to help him try to find Garcia—and then come back

and tell you there is no such man. Of course I may lose my bet, but according to the Law of Averages I will not.

Now, if you are wise, you will not bother to explain to your assistant that Correggio is indexed under the C's, not in the K's, but you will smile sweetly and say, "Never mind," and go look it up yourself. And this incapacity for independent action, this moral stupidity, this infirmity of the will, this unwillingness to cheerfully catch hold and lift—these are the things that put pure Socialism so far into the future. If men will not act for themselves, what will they do when the benefit of their effort is for all?

A first mate with knotted club seems necessary; and the dread of getting "the bounce" Saturday night holds many a worker to his place. Advertise for a stenographer, and nine out of ten who apply can neither spell nor punctuate—and do not think it necessary.

Can such a one write a letter to Garcia?

"You see that bookkeeper," the foreman in a large factory said to me.

"Yes, what about him?"

"Well, he's a fine accountant, but, if I'd send him uptown on an errand, he might accomplish the errand all right, and, on the other hand, might stop at four saloons on the way, and when he got to Main Street, would forget what he had been sent for."

Can such a man be entrusted to carry a message to Garcia?

We have recently been hearing much maudlin sympathy expressed for the "down-trodden denizen of the sweat-shop" and the "homeless wanderer searching for honest employment" and with it all often go many hard words for the man in power.

Nothing is said about the employer who grows old before his time in a vain attempt to get frowsy ne'er-do-wells to do intelligent work; and his long, patient striving after "help" that does nothing but loaf when his back is turned. In every store and factory there is a constant weeding-out process going on. The employer is constantly sending away "help" that have shown their incapacity to further the interests of the business, and others are being taken on. No matter how good times are, this sorting continues; only if times are hard and work is scarce, the sorting is done finer—but out and forever out the incompetent and unworthy go. It is the survival of the fittest. Self-interest prompts every employer to keep the best—those who can carry a message to Garcia.

I know a man of really brilliant parts who has not the ability to manage a business of his own, and yet who is absolutely worthless to anyone else, because he carries with him constantly the insane suspicion that his employer is oppressing or intending to oppress him. He cannot give orders, and he will not receive them. Should a message be given him to take to Garcia, his answer would probably be, "Take it yourself!"

Tonight this man walks the streets looking for work, the wind whistling through his threadbare coat. No one who knows him dare employ him, for he is a regular firebrand of discontent. He is impervious to reason, and the only thing that can impress him is the toe of a thick-soled No. 9 boot.

Of course I know that one so morally deformed is no less to be pitied than a physical cripple; but in our pitying, let us drop a tear, too, for the men who are striving to carry on a great enterprise, whose working hours are not limited by the whistle, and whose hair is fast turning white through the

struggle to hold in line dowdy indifference, slipshod imbecility, and the heartless ingratitude, which, but for their enterprise, would be both hungry and homeless.

Have I put the matter too strongly? Possibly I have; but when all the world has gone a-slumming I wish to speak a word of sympathy for the man who succeeds—the man who, against great odds, has directed the efforts of others, and having succeeded finds there's nothing in it; nothing but bare board and clothes. I have carried a dinner pail and worked for days' wages, and I have also been an employer of labor, and I know there is something to be said on both sides. There is no excellence, *per se*, in poverty; rags are no recommendation; and all employers are not rapacious and high-handed any more than all poor men are virtuous.

My heart goes out to the man who does his work when the "boss" is away as well as when he is at home. And the man, who, when given a letter for Garcia, quietly takes the missive without asking any idiotic questions, and with no lurking intention of chucking it into the nearest sewer, or of doing aught else but deliver it, never gets "laid off" nor has to go on a strike for higher wages. Civilization is one long, anxious search for just such individuals. Anything such a man asks shall be granted. He is wanted in every city, town and village—in every office, shop, store and factory. The world cries out for such: he is needed, and needed badly—the man who can CARRY A MESSAGE TO GARCIA.

EXERCISE 10

Write from memory a brief review of "Carry a Message to Garcia" and point out the principal lessons it teaches.

LESSON 10

MESSENGER SERVICE

MANY men begin their business careers as messengers or errand boys. The messenger is to the business man what the orderly is to the military officer. Dependability, cheerfulness, good manners, quickness and honesty are among the important qualifications of a good messenger. All these characteristics are brought out very forcefully in "Carry a Message to Garcia," Lesson 9. It would be well if every boy and girl would study this story very carefully and then make it a rule of conduct through life to be absolutely dependable under all circumstances.

To be dependable means simply that, no matter what happens, a duty once entrusted must be performed promptly and in exactly the manner prescribed. It will not do for a messenger to exercise his own judgment in matters upon which he had definite instructions. It is related of John Erickson, the great inventor, that he once ordered a boiler to be riveted with square bolts. The workman noticed the mistake and used round bolts. "Did I not order square bolts?" the inventor asked on inspecting the work. "Yes," was the reply, "but I knew it was a mistake and I corrected it." The workman was ordered to remove the round bolts, put in square ones and again to remove them and put in the round bolts. "Now you have obeyed orders." "You see," commented Mr. Erickson, "because I made a mistake once, I cannot afford to give you leeway to do as you please. My instructions must be followed to the letter." Obedience is

the soldier's first duty and the same is true of the messenger.

We may not agree entirely with the inventor's method; nor are we to infer that the inventor would not have welcomed criticism and suggestions. The lesson to be learned is that an employe in an inferior position must not undertake to act contrary to instructions. Should he discover mistakes or desirable changes, he must lay them properly before his superiors.

Cheerfulness and helpfulness are other important qualities in a good messenger. Nothing is more disagreeable than a curt, grouchy messenger. The hotel bell-boy who is always pleasant and cheerfully responds to every call is the one who is in line for promotion. But the boy should get into the habit of doing pleasant things for his employer, not because it pays, and because it is his duty, but because he enjoys doing nice things. This will be the greatest possible asset to the boy as a future business man.

EXERCISE 11

1. Name five important qualities in a messenger boy.
2. What is the messenger's first duty?
3. Tell about the "Message to Garcia."
4. If you were a bell-boy in a hotel, tell five ways in which you could be of service.
5. State five special qualifications of a telegraph messenger.

LESSON 11

THE OFFICE BOY

MANY a captain of industry has started his career as an office boy. The same qualifications which make a good messenger are required of the office boy. But in addition he must do many things not required of the messenger. Most office boys are required to do considerable writing, to fill out blanks, wrap packages, attend to mailing, sort papers for filing and do countless other little odds and ends which save the time of the busy business man. All this requires the ability to write a good hand; to spell correctly; neatness, accuracy, orderliness and alertness. Few boys realize the importance of writing a good, plain business hand until it is too late to acquire it. Once the habit of writing slovenly has become fixed, it becomes almost impossible to change it. It is not so much the objection to spelling a word wrong occasionally as it is the habit a boy acquires of using language carelessly; and what is true of his language will be true also of his work. A boy or a girl who does not get into the habit of using figures correctly can never succeed in an office, much less in business.

The Golden Rule of life is: "Do unto others as you would have others do unto you." This simple rule of conduct is too often forgotten. Some people imagine that this rule is only for special occasions, or for the other fellow, and does not apply to business. It is now recognized by the most successful business men that no permanent success can be gained except by following this rule. To the office boy, it means: "Be on the square with your employer if you would expect him to do the square thing with you."

EXERCISE 12

1. Name five important qualities in an office boy.
2. Read the autobiography of Franklin and see if he had these qualities.
3. Repeat the Golden Rule.
4. Point out five ways in which a merchant can break the Golden Rule.
5. Point out five ways in which the office boy can break the Golden Rule.

LESSON 12

THRIFT*

THE pupil will enjoy reading the opinions of successful men. Make a note of every striking saying and make it a point to talk these over with your fellow-pupils and members of the family.

Imitation is one of the most universal and powerful instincts of man. This leads to the formation of either useful or bad habits which often determine the success or failure of a life. Hence the importance of reading and re-reading the wise sayings of successful men and following their example.

"Argument should not be necessary to convince people that thrift is one of the foundation-stones of success in any line of endeavor. Economy acquired in youth, and nurtured through middle age, rarely fails to make old age honorable and secure."—ALBERT J. BEVERIDGE.

"Remember that thrift is the surest and strongest foundation of an empire—so sure, so strong, and so necessary that no great empire can long exist that disregards it."—EARL OF ROSEBURY.

"Thrift, to become a fixed habit, must be practiced with regularity and be given an opportunity for exercise over an appreciable length of time. And unless it becomes fixed as a habit, it is of comparatively little value. Spasmodic saving, followed by spasmodic extravagance, makes for ruin as surely as does habitual improvidence."—FRANK C. MORTIMER.

"When the masses are educated to understand the importance of thrift, our national thrift and prosperity will be at floodtide."—WILLIAM C. COOK.

*The quotations in Lessons 12 to 18, inclusive, were drawn from the Thrift Bibliography, pages 165-172.

"Thrift and providence are primary qualities necessary to all who are to make the most out of life and its opportunities."—NEWTON D. BAKER.

"I am deeply interested in the movement to stimulate thrift, and will gladly cooperate so far as present duties permit. It is apparent that the departure from a simple living-standard, especially by the middle classes endeavoring to emulate the very wealthy, is having a deleterious effect upon our national life."—GEORGE W. P. HUNT.

"The principle of thrift is the foundation of character."—JOHN A. DIX.

"The art of getting riches consists very much in thrift—all men are not equally qualified for getting money, but it is in the power of every one alike to practice this virtue."—BENJAMIN FRANKLIN.

"What you want to do now is to cut down your expenses and live within your income. I would give all the ledgerdom of finance and financiering for the old homely maxim, 'Live within your income'."—SAMUEL J. TILDEN.

"We regard thrift as close to the basis of domestic felicity."—ARTHUR J. LACY.

"Thrift is such a simple thing—and it means so much. It is the foundation of success in business, of contentment in the home, of standing in society."—RUSSELL SAGE.

"Apply to the masses of men any of the tests that indicate success or failure in life, progress or stagnation, valuable or worthless citizenship, and none more clearly than thrift will separate the temperate, well-behaved, respected and useful from the unsatisfactory member of society."—ANDREW CARNEGIE.

"Thrift means much more than merely saving money—It

means plans—It means self-control—It means foresight—It means prudence—It means sane and legitimate self confidence—It means all that makes for character. It is as much removed from miserliness on the one hand as it is from extravagance on the other.’’—S. W. STRAUS.

“Thrift is one of the corner-stones on which manhood must be constructed.”—HENRY FORD.

“There are but two ways of paying debt; increase of industry in raising income; increase of thrift in laying it out.”—THOMAS CARLYLE.

“Whatever you have, spend less. Frugality is not only the basis of quiet happiness, but of beneficence.”—SAMUEL JOHNSON.

“Without frugality few can become rich and with it few would become poor.”—SAMUEL JOHNSON.

“Annual income twenty pounds, annual expenditure nineteen, nineteen six, result happiness. Annual income twenty pounds, annual expenditure twenty pounds, ought and six, result misery.”—Micawber in “David Copperfield”—CHARLES DICKENS.

“Thrift is the marrow of national power. The worth of a state in the long run is the worth of the individual composing it.”—JOHN STUART MILL.

“Luck means rising at six in the morning, living on a dollar a day if you earn two, minding your own business and not meddling with other people’s.”—MAX O’RELL.

“Thrift began with civilization. It began as soon as men realized that it was necessary to provide for tomorrow as well as for today. It began long before money was invented. Thrift means private economy as well as the order and management of a family. Thrift requires that money should be

used and not abused—that it should be honestly earned and economically employed.”—SAMUEL SMILES.

“Keep adding little to little, and soon there will be a great heap.”—VIRGIL.

“Thrift comes too late when you find it at the bottom of your purse.”—SENECA.

“By thrift is meant simply that way of living which systematically transfers a portion of one’s income to one’s capital. It is not inconsistent with generosity; it is not a synonym of niggardliness.”—SHAILER MATHEWS.

“The most unmitigated curse of the United States is the lack of Thrift.”—FRANK CRANE.

“Waste is worse than loss. The time is coming when every person who lays claim to ability will keep the question of waste before him constantly. The scope of Thrift is limitless.”—THOMAS A. MADISON.

“I have come to learn that the reason why so many men are in the down-and-out class is the lack of thrift.”—H. W. HOOR.

THRIFT MAXIMS

“Be always ashamed to catch thyself idle.”

“If you would have it done, go; if not, send.”

“Easy money is hard to keep.”

“To waste energy is to waste life.”

“Borrowing is the mother of trouble.”

“It is hard to pay for bread that has been eaten.”

“Beware of little expenses; a small leak will sink a ship.”

“Sins and debts are always more than we think them to be.”

“All things come to him who hustles while he waits.”

“Saving is a greater art than gaining.”

"When the well is dry, we know the worth of water."

"Live within your harvest."

"A fool may make money, but it requires a wise person to spend it."

"Economy, not grasping stinginess, leads to success."

"Sow little, reap little."

"'Tis hard for an empty bag to stand upright."

EXERCISE 13

1. Memorize at least five of the Thrift Maxims.
2. What is the surest way of preparing for a happy old age?
3. Where was Benjamin Franklin born? What great men lived at the same time? (See United States History.)
4. State opinions of thrift as expressed by Carnegie, Ford and Straus.
5. What did Samuel Smiles say about thrift? If possible read Smiles "Self-Help."
6. Learn the spelling and meaning of all new words.

LESSON 13

SAVING

“TEACH economy. That is one of the first and highest virtues. It begins with saving money.”—ABRAHAM LINCOLN.

“Save, and teach all you are interested in to save; thus pave the way for moral and material success.”
—THOMAS JEFFERSON.

“The little savings-bank in the home means more for the future of the children of a family, almost, than all of the advice in the world. It gives them the right start.”
—WILLIAM MCKINLEY.

“Save your money and thrive, or pay the price in poverty and disgrace.”—ANDREW JACKSON.

“Men of the South, save! You must learn this lesson, or that economy which so stiffens the North and inspires and stimulates its industry, will overwhelm you.”
—HENRY CLAY.

“Save a little of thy income, and thy hide-bound pocket will soon begin to thrive and thou wilt never cry again with an empty stomach; neither will creditors insult thee, nor want oppress, nor hunger bite, nor will nakedness freeze thee. The whole hemisphere will shine brighter and pleasure spring up in every corner of thy heart.”—BENJAMIN FRANKLIN.

“Save, young man, and become respectable and respected. It is the surest way. If you would be wealthy, think of saving as well as of getting.”—BENJAMIN FRANKLIN.

“Things don't turn up in this world until somebody turns

them up. Experience teaches that it is the men and women who pay attention to small savings that become wealthy. By saving nickels and dimes a thrifty person lays the foundation of a fortune.”—JAMES A. GARFIELD.

“The paramount thing is to save. No man has any business to spend all he makes. He has no right to expect continuous help from those around him. Even if he makes but five or six dollars a week he should save one. It may not be easy, but one-dollar bills will add up.”—WALTER BENNETT.

“I know of no greater independence than this thing of having a little lump sum of money put away, be it ever so small—a sum that is kept in reserve and only in extreme instances drawn upon.”—DANIEL BARNES.

“If I had never saved, I would never have been successful.”—THOMAS F. RYAN.

“Save a little every week, and when you get an increase in wages or salary, continue to live within the former limits and save the increase. If you find it difficult to save, go in debt for a home or undertake some other obligation in the way of investment that will compel you to save. It is not necessary for a man to get a big salary before he begins to put money aside.”—HENRY E. HUNTINGTON.

“Ninety per cent. of genius is energy and industry, and to save something out of one’s earnings, either great or small, means certain success. Individuals who have been successful are those who have been thrifty and economical.”—CHASE S. OSBORN.

“The surest way to make money is to save money and to use what you have. Any young man can get rich, can succeed in business, if he saves, if he has a definite and honest purpose and is so filled with the purpose that work ceases to

be a hardship and becomes a privilege.”—FREDERICK WEYERHAEUSER.

“If you want to be anything in life or in your community, save your money—and begin to do it right away. Saving puts a man together, makes him fit and able to do things. Before you know it you are getting on—making money and becoming a solid citizen. Nine out of every ten successful men have grown up that way.”—MARK HANNA.

“Saving is of real value, because it helps men, women and children to help themselves, and in time to become, in a measure, independent.”—ALEXANDER H. REVELL.

“No boy ever became great as a man who did not in his youth learn to save money.”—JOHN WANAMAKER.

“Nine-tenths of getting ahead consists of laying something aside.”—JOHN WANAMAKER.

“Save your money. Save all you can. \$5000 a year is not too much for some of you to save. If there is a man selling our goods who cannot save at least \$2000 a year, let him look for some other business. Accumulate something and get ahead in the world, so that you can live better, do more for your children, and acquire a competence for a comfortable old age or the ‘rainy day’.”—HUGH CHALMERS.

“I would advise every young man to make it the rule and practice of his life to save a part of every dollar he may earn or receive (one-half if possible). This will enable him to take care of himself in old age, independent of relatives and friends or charitable institutions. Live temperately in all things, avoid the gilded palaces that now seem to be so firmly established and which are the ruin of so many of our men and women.”—H. M. DEXTER.

“Careful saving and careful spending invariably promote

success. Economy is one of the most essential elements of success, yet most wretchedly disregarded. The five or ten cents squandered a day, if saved, will in a few years amount to thousands of dollars. If a man is not competent to manage a small income or a small business, he is not competent to manage a large income or a large business."

—MARSHALL FIELD.

"Economy no more means saving money than it means spending money; it means administration of a house; its stewardship; spending or saving, whether money or time, or anything else, to the best possible advantage."

—JOHN RUSKIN.

"In him woke

With his first babe's first cry, the noble wish

To save all earnings to the uttermost

And give his child a better bringing up."—TENNYSON.

"The saving of money usually means the saving of a man. It means cutting off indulgences or avoiding vicious habits. The little difference between what you earn and what you spend is power. It often measures the distance between success and failure."—O. S. MARDEN.

"Make all you can, save all you can, give all you can."—
JOHN WESLEY.

"The youth who is perpetually borrowing will come to be known as one who never saves, and he who never saves can never hope to be rich."—GEORGE C. LORIMER.

"The woman who can save money wins masculine respect and feminine envy."—MRS. CAREY.

"Anyone who spends less than he earns and saves the difference and pays as he goes is on the way to independence."—
HARVY A. BLODGETT.

"When to the intelligence of Southern men we have added the wholesome instinct of saving money, no race will equal us."—ROBERT E. LEE.

"Every man, woman and child ought to save. That is the earnest and repeated exhortation of all the good and wise men who have lived. To learn to save is really the first important lesson of life."—THOMAS BURTON.

"No one is economically useful unless he saves a portion of his income for the benefit of industry."—LAURENCE M. SYMMES.

"Wealth can be accumulated only by the earnings of industry and the savings of frugality."—JOHN TYLER.

ECONOMY

"Economy makes happy homes and sound nations. Instill it deep."—GEORGE WASHINGTON.

"We have not studied cost or economy as we should either as organizers of industry, as statesmen or as individuals."—WOODROW WILSON.

"Economy is near to the keystone of character and success. A boy that is taught to save his money will rarely be a bad man or a failure; the man who saves will rise in his trade or profession steadily; this is inevitable."—WILLIAM EWART GLADSTONE.

"The lessons of thrift and economy are a capital to the children of poor parents."—JOHN H. THREY.

"If the young man ever expects to succeed in business he must be economical. No matter how small the sum the boy or young man is receiving, he should always save a portion of his income."—HENRY C. LYTTON.

"The most important ends of economy are independence

and resource—the freedom of choice in a thousand directions that a little capital gives.”—J. D. WARNER.

“In the family, as in the state, the best source of wealth is economy. It is a great revenue.—CICERO.

“Economizing one’s means with the mere object of hoarding is a very mean thing; but economizing for the purpose of being independent is one of the soundest indications of character.”—SAMUEL SMILES.

EXERCISE 14

1. What did each of three presidents of the United States say about saving?
2. What did each of three great merchants say about saving?
3. What did each of three authors say of saving?
4. Name ten objects which are the result of saving.
5. Name ten good institutions which are the result of saving.
6. Name ten objects which are not the result of saving.

LESSON 14

MONEY

“REMEMBER that money is of a prolific generating nature. Money can beget money, and its offspring can beget more, and so on. Five shillings turned is six, turned again it is seven and threepence, and so on till it becomes one hundred pounds. The more there is of it the more it produces every turning, so that profits rise quicker and quicker.” “The way to wealth is as plain as the way to market; it chiefly depends on two words—industry and frugality.”—**BENJ. FRANKLIN.**

“The first principle of money-making is money-saving.”—**JOHN WANAMAKER.**

“Men are seldom more innocently employed than when they are honestly making money.”—**SAMUEL JOHNSON.**

“Never treat money affairs with levity; money is character.”—**BULWER.**

“He that wants money, means and content is without three good friends.”—**SHAKESPEARE.**

“The true measure of a man’s ability is the power to help others and to contribute to their advancement. The effort to make money is an important incentive to social service and industrial progress.”—**A. T. HADLEY.**

“Spend your money after you have earned it, never before.”—**LYMAN ABBOTT.**

“The young woman who knows from experience just how money is earned and how it may be judiciously expended and

properly invested is far on the way to a high plane of living.”

—W. A. MCKEEVER.

“If one does not have the right regard for the value of money, nor the importance of thrift in business relations, he will be handicapped just so much in striving toward success.”

—ERNEST G. DRAPER.

“By thrift we do not mean the hoarding of money, but the intelligent saving and investing of it. This saving and wise investing—this thrift—must not be confined to mere money and other material wealth, but must be applied to the elements of mind and body—for in thrift to make for growth there must be a surplus of human power, and in just such proportion will the income work for your health and your habits, and also lay up a portion of it to have, and to hold, and to use, when some of the unlooked-for contingencies of life arrive.”—HENRY FORD.

“Get a battery for yourself, in the shape of a bank account, and see that day by day something is stored up for the time when either your producing mechanism may be incapacitated or be worn beyond repair.”—HENRY FORD.

“Economy for the mere sake of it is no doubt mean, but economy for the sake of independence is right and manly. The miser is the man who loves money for its own sake; who carries economy to excess; who is a mere covetous machine. One lesson we learn in life is to keep ourselves free from mean and petty cares—and love of money is one of the meanest.”—SIR JOHN LUBBOCK.

“The lesson we must learn is the value of money and the value of saving money. Economy makes strong, industrious, successful men. I cannot state this too emphatically.”—JEFFERSON DAVIS.

LESSON 15

EXTRAVAGANCE—WASTE

“EXTRAVAGANCE rots character; train youth away from it. On the other hand, the habit of saving money, while it stiffens the will, also brightens the energies. If you would be sure that you are beginning right, begin to save.”—THEODORE ROOSEVELT.

“Our standards should be lifted up. We all were too luxurious. You in Chicago and New York were too luxurious. Berlin was too luxurious. In Paris, also, people had become luxurious. We shall all be made simpler by this war. We shall be made more frugal, more serious, less cynical, greater.”—HALDANE.

“Extravagance, if not a crime, very naturally leads to crime.”—HUGH McCULLOCH.

“One of the greatest curses of American civilization to-day is the fact that it is unfashionable to save and that the people are ashamed to save; while extravagance, waste and carelessness are looked upon as smart and signs of prosperity. Now probably this can in no way other be more distinctly shown than by the fact that our wives are not doing the preserving and pickling that our mothers used to do.”—ROGER W. BABSON.

“Extravagance becomes contagious and affects the community, the state, and the nation, tending to produce dissatisfaction and discontent; while, on the other hand, economy and thrift promote happiness and contentment.”—CHARLES R. MILLER.

“Too much cannot be done for the promotion of thrift.

It ought to be urged upon the young in the home, in the school, everywhere. Thrift as a necessity, as a duty, ought to be insisted upon for everybody in every place of public discussion. The want of frugality, the unlimited extravagance of the time, is a public menace, and any movement that will tend to check it deserves the highest commendation.'—G. W. CLARK.

"As a matter of fact, extravagance has come to be a national habit among us, and self-indulgence, the natural child of extravagance, has walked hand in hand with an eagerness to spend money—a willingness which at times amounts to eagerness.'—J. HAMILTON MOORE.

"A wife must not be extravagant, nor a husband penurious. Let her help him to save his money.'—GREENBAUM.

"The American people are prodigal, and our extravagance will have to be paid for by someone. People are wasteful and extravagant. We are not saving for the 'rainy day', for the time of need.'—JOHN D. ROCKEFELLER.

"The matter of our extravagance outranks any problem of the time.'—IRVING BACHELLER.

"Pride is often times the parent of extravagance. Men and women shrink from appearing less prosperous than their neighbors. Not only will they spend for their backs what ought to have gone into their stomachs, but they will too readily make somebody else foot the bill—that is, they will buy what they cannot pay for, thus robbing somebody else.'—B. C. FORBES.

"Thriftlessness breeds indifference and indifference leads to decay and calamity. Over the ruins of vanquished Rome hovered the ghost of her folly, vicious extravagance,"—JOHN STUART MILL.

“Young men who are determined to make something of themselves will think a great many times before they marry a young woman with extravagant notions, for they know that once a woman has contracted a taste for luxuries and formed the habit of living beyond her income, she is rarely content with what a man of moderate circumstances can afford to give her.”—O. S. MARDEN.

“This rapid change in extreme fashions has but one object; namely, to force everybody who can to buy anew as often as possible. It has another effect; namely, to induce the great middle class to spend all it can earn.”—EUGENE DAVENPORT.

“The dazzling attractions of a luxury-loving age constitute the greatest possible danger to American education.”—WILLIAM H. P. FAUNCE.

“The remedy for extravagance is the cultivation of self-denial and self-control. The young man who bewails the smallness of his salary deserves to fail in life, for no one in receipt of a regular income is too poor to put by a few cents each week.”—T. DEWITT TALMADGE.

“In all things, extravagance is to be deprecated. Nowhere will system be found of greater service than in consistently apportioning the income to the various demands made upon it, and holding steadfastly to this division.”—ALICE L. JAMES.

“Have you ever considered that if you are spending all of your money as it comes to you, week by week or month by month, you are working in a tread-mill? At the end of the month you are no nearer the end of your ambitions than you were at the beginning.”—J. A. JAYNE.

“The American people spend a billion dollars a year in

senseless pleasures—in pleasures that do more harm than good. The waste of a billion for a good time may seriously retard the prosperity of the land.”—L. P. BEHRENS.

“We must find ways and means to bring our mines, our fields, our factories and our shops, through concentration of energy and practice of economy, up to the highest standards of efficiency and productiveness; and, most of all we should begin to practice personal economies.”
—J. T. TALBERT.

“Waste is worse than loss. The time is coming when every person who lays claim to ability will keep the question of waste before him constantly. The scope of thrift is limitless.”—THOMAS A. EDISON.

LESSON 16

SUCCESS

“WHAT is the secret of success in business? There is no secret about it. All you have to do is to attend to your business and go ahead.”—COMMODORE VANDERBILT.

“Men who have succeeded in business have done so through gainful use of a relatively large per cent. of their energy, time, money and of natural resources. Men who have failed in business have gone down because of too much waste.”—A. F. SHERLDON.

“I have often been asked to define the true secret of success. It is thrift in all its phases, and principally thrift as applied to savings. A young man may have many friends, but he will find none so steadfast, so constant, so ready to respond to his wants, so capable of pushing him ahead, as a little leather-covered book with the name of a bank on its cover. Saving is the first great principle of all successes. It creates independence; it gives a young man standing; it fills him with vigor; it stimulates him with the proper energy; in fact, it brings to him the better part of any success—happiness and contentment. If it were possible to inject the quality of saving into every boy, we would have a great many more real men.”—SIR THOMAS LIPTON.

“Three maxims for success? I would suggest thinking, working and economizing.”—E. B. BUTLER.

“We are creatures of habit. We succeed or we fail as we acquire good habits or bad ones; and we acquire good habits as early as bad ones. Most people don't believe this. Only those who find out succeed in life.”—HERBERT SPENCER.

“Careful saving and careful spending invariably promote success. Economy is one of the most essential elements of success, yet most wretchedly disregarded. The five or ten cents squandered a day, if saved, will in a few years amount to thousands of dollars. If a man is not competent to manage a small income or small business, he is not competent to manage a large income or a large business.”
—MARSHALL FIELD.

“All the roads leading to the City of Success enter by one gate—Thrift.”—S. W. STRAUS.

“He who cannot save money has not within him the elements of success.”—JAMES J. HILL.

EXERCISE 15

1. Name one of the greatest curses of American civilization. Why is it such?
2. Mention one of the causes of the fall of Rome.
3. Why does extravagance prevent marriage?
4. Name several ways in which you have been extravagant.
5. Mention some of the evils of extreme fashion.
6. Report on several kinds of waste in the home; in the school; in the city; in the store; in the church. Point out remedies in each case.
7. Point out the true secret of business success.
8. Give three maxims for success.
9. Give Spencer's views of success.

LESSON 17

BOOKKEEPING AND THRIFT

“BOOKKEEPING is likely to be of more use to women and their children in case of widowhood than either music or dancing, by preserving them from losses by imposition of crafty men.”—BENJAMIN FRANKLIN.

“My competitor suffered greatly from his neglect in due accounting and I mention as a lesson to those young men who may be employed in managing affairs for others than they should always render accounts and make remittances with great clearness and punctuality. The character of observing such a conduct is the most powerful of all recommendations to new employments and increase of business.”
—BENJAMIN FRANKLIN.

“The practice of keeping a little personal ledger by young men just starting in business and earning money and requiring to learn its value is a good one. Now let me leave this little word of counsel for you, young man: ‘Keep a little ledger as I did.’ Write down in it what you receive and do not be ashamed to write down what you pay away. See that you pay it away in such a manner that your father or mother may look over your book and see just what you did with your money. It will help you to make money, which is your duty.”
—JOHN D. ROCKEFELLER.

“In my judgment, no single study outside of the essential branches of writing, reading and arithmetic would be more serviceable than the study of efficient methods of keeping accounts. It is a universal need.”—JOHN HAMILTON.

“By paying as you go and keeping books you avoid the pitfalls of excess.”—ANDREW CARNEGIE.

“If I were Czar of the Russians—in the educational world—I would require every student, before reaching the age when the majority leave school, to pursue an elementary course in bookkeeping—not having in mind that the boys or the girls would on leaving school go into offices as bookkeepers, but they should be given a sufficient course to enable them on leaving school to keep accurate records of personal expenditures.”—DURAND W. SPRINGER.

LESSON 18

PROVIDING—PRUDENCE

"I SHOULD think ill of any man who did not leave his children a little better off materially than himself."—THEODORE ROOSEVELT.

"There is no cause that I know of that works so much on a conscientious man who loves his wife and his children as the prospect of leaving them helpless in the world and dependent on others; and there is nothing comparable to the relief from this worry."—WILLIAM H. TAFT.

"The man who owns his own house, who owns the roof over his head and the ground under his feet, whose children have a place that they look upon as their own, gives to himself and to his family a chance a thousand times better than that of the individual who is living in a box called an "apartment." Don't buy what you can't afford to pay for. But remember that if you are really able to pay the average rent, you are also able to pay for, and gradually buy, the home and own it."—ARTHUR BRISBANE.

"There are three kinds of people in the world—the wills, the won'ts and the can'ts. The first accomplish everything the second oppose everything and the third fail in everything."—WILLIAM T. ELLIS.

"Provision for others is a fundamental responsibility of human life."—WOODROW WILSON.

"If there are nice things you want to buy, and they are necessary, buy them; but do not squander your money—save it."—JOHN D. ROCKEFELLER.

"During hard times we are forced to be prudent and thrifty

and in consequence get rich faster than we do in what we call prosperous times.”—STUYVESANT FISH.

“The way to material success in life is simple. The man who sets a straight course and refuses to deviate from it, who lives on less than he makes, thus constantly amassing a surplus, and who invests that surplus wisely and conservatively, is bound to build up a comfortable fortune to retire on when his business days are over.”—S. W. STRAUS.

“By proper self-denial in expenditures, any man with a moderate income can find himself at sixty possessed of sufficient means to live without work if he wants to do so.”—E. C. THOMPSON.

“How can one be ready for the glorious opportunities ahead of him unless he has cultivated the habit of economy and prudence? He must save all he can in season and out of season.”—JOHN D. ROCKEFELLER.

“With the vast majority of young men and women, the life-plan includes the gradual accumulation of a fortune. The first rule that they need to learn is to live within their means. The husband and wife should make their plans together; they enter heartily upon their work; she is as willing to sacrifice as he is to labor—and her willingness to save is as important a factor in their success as is his ability to earn.”—WILLIAM J. BRYAN.

“It is not often that a man can make opportunities for himself. But he can put himself in such a shape that when, or if, the opportunities come, he is ready to take advantage of them.”—THEODORE ROOSEVELT.

BANK ACCOUNT

“Wealth can be accumulated only by the earnings of industry and the savings of frugality.”—JOHN TYLER.

“Every child should have a bank account and be taught to make it grow gradually but surely. An intelligently managed bank account gives youth its start in life, middle age its competency, and old age its comforts and security.

“Before you are taken into partnership and given a chance to spend the funds of the firm, you must give evidence that you know how to care for your own. The worthless, the shiftless, the insincere, the always needy, never get ahead, and at the bank they are unknown. Even a small bank account makes an impress upon your character.”—ELBERT HUBBARD.

“The difference between the woman with a bank account and the woman without one is the difference between independence and dependence, between happiness and misery. If I could say one word more earnest than any other it would be to make a fetish of thrift.”—DOROTHY DIX.

“There’s nothing like a bank account to develop spunk.”
—EDNA K. WOOLEY.

EXERCISE 16

1. Why is it that money begets money?
2. What are the two good friends of money?
3. How can you spend money before earning it? What does Abbott say?
4. What is the value of the bank account?
5. Tell Franklin’s and Carnegie’s opinion of bookkeeping?
6. What is the opinion of each of three presidents of the United States?
7. Give the opinion of Straus regarding investment.
8. What does Bryan say regarding the life-plan of young people?

MENTS

Careful record of
in the conduct
these lessons to

month of <i>November</i>
Repaired 100
Club 50
May 75
Nov 30
100
Work
Movings 25
Richmond 200
Present
May 75
Forward

MENTS

Careful subject is
account-keeping is
saving habits are
therefore follow
study the proper
methods.
Items coming into
as money, such

etc. While in
they and other
more money
if there is a
of the cash
receipts on

Days	RENTAL	Surplus	Checks
		57	3
		422	
			1
		25	
		24	922 4

side as shown
keeping of a
pts and pay-
readily the
lasses of out-
will come from
Miscellane-



ous; while the payments may be classified as follows: Board and Room, Clothing, Laundry and Toilet, Fees and Dues, Books and Stationery, Furniture, Amusements and Refreshments, Travel, Doctor and Medicine, Church and Benevolence, Gifts, Savings, Unclassified.

Nearly every business classifies its receipts and payments to suit its own conditions, but it is desirable that the same kinds of business should follow practically the same classification so as to furnish records which can be compared readily. Thus all national banks keep practically similar accounts. The same is true of insurance companies, railroads, etc. It would be desirable if all college students kept their accounts the same way so that valuable statistics could be collected regarding the expense at college.

A careful study of the illustrations on pages 66-67 will enable the student to understand this convenient system of cash accounts. Note that the sum of all the items in the total column equals the sum of the items in the distribution column. By this simple means the work is proved at any point of the record. Another method of analyzing the cash account is by means of the ledger, which is explained in Lesson 26, but the special columns are preferred for personal accounts.

EXERCISE 17

1. Rule a sheet of paper 5 x 15 inches exactly as per illustration, pages 66-67. Use a good clean pen and red ink for the top double horizontal line and for the first single line; use a lead pencil for all the remaining horizontal lines. Rule all the vertical lines in red ink. Copy the model and prove that the sum of the total column equals the sum of the distribution column.

2. On a similar sheet write up your own cash account for the last month no matter how small your receipts and expenses may be. It

may be necessary for you to change slightly the wording of some of the headings.

EXERCISE 18

(1) Rule another sheet of paper 10 x 15 and write up the following expenses of a college girl:

ITEMS OF INCOME AND EXPENSE

- Sept. 20—Allowance, \$75.00.
 “ 20—Trunk drayage, 50c; room deposit, \$3.00.
 “ 21—Fees, \$17.00; books, \$14.00; room rental for semester, \$10.00; board, \$14.00.
 “ 22—Regulation gym suit, \$5.00; Ground Gripper shoes, \$3.00; swimming suit, \$2.00.
 “ 23—Swimming cap, 50c; broom, 25c; dust pan, 25c.
 “ 25—Curtains, \$1.00; bluing, 25c; starch, 25c; soap, 15c; stamps, 50c; feed, 35c.
 “ 25—Received \$2.00 for work in Dean’s office.
 “ 26—Collection, 10c; dinner guest, 35c.
 “ 27—Stationery, 50c; pencil, 5c; candy, 10c.
 “ 30—Note book, 35c; waste basket, 75c.
- Oct. 1—Allowance, \$30.00.
 “ 2—Sold Rug, \$1.00.
 “ 2—Stockings, \$1.50; shoe polish, 10c; ink, 25c, rubbers, 60c; tape-measure, 10c; pins, 10c; rug, \$2.00; underwear, \$3.00.
 “ 4—I-P Note-book paper, 10c; cards, 10c.
 “ 7—Flowers, Marie, 50c; vaccination, 50c; medicine, 50c; magazine, 15c.
 “ 10—Collection, 15c; stamps, 25c.
 “ 15—Board in advance, \$14.00; waist, \$3.00; fountain pen, \$2.50.
 “ 15—Received from Uncle Billie, \$5.00.
 “ 16—Movies, 20c, feed, 50c.
 “ 18—Waldo Hall dues, 50c; laundry, 35c; Albany, \$1.00.
 “ 19—Class dues, 50c; printing pictures, 50c.
 “ 14—Collection, 20c.
 “ 28—Blue books, 5c, candles, 5c.
 “ 30—Hair pins, 10c; thread, 5c. Balance on hand \$0000.

(2) Prepare an account book for yourself similar to the above exercise and keep it for three months. You will then probably continue it indefinitely.

LESSON 20

BOYS' AND GIRLS' CLUBS

AMONG great modern educational movements, the Boys' and Girls' Pig Clubs, Corn Clubs, Poultry Clubs, etc., must be classed as of first importance. They are stimulating true thrift by inculcating the habits of industry and good management, and at the same time they serve as powerful factors in promoting vocational education. The clubs are promoted by the United States Department of Agriculture, usually in co-operation with the state agricultural colleges. Frequently the State Bankers' Association and the State Teachers' Association take active interest in the club work. Thus the pupil soon becomes conscious of being an important member in the industrial organization of the nation.

Below is an extract from one state bulletin*, showing the purpose and rules of the clubs:

"1. The purpose of the work is to guide, by the best methods, the work undertaken by the boy or girl who becomes a Club member. Carrying a Club project also aids the member in systematizing his work, creates better scholarship, is an incentive to push onward, and gives effectual training in matters of thrift and economy by showing pupils how to make profits on their own investment of time, money and energy. Proper saving and spending of money is then made possible.

"2. During the year 1917 over 409,000 boys and girls have been doing some phase of Club work and thus doing their 'bit' to help win the war. The National Leader has designated all Club members for the period of the war, as 'Soldiers of the Commissary.'

*Oregon Agricultural College, Extension Bulletin 220.

"Club work trains for self-reliance.

"Club work sets a standard of achievement.

"Club work develops co-operation.

"Club work trains for thrift and economy.

"Club work brings the school and home close together.

"Club work teaches system.

"Club work develops leaders.

"3. The boys and girls who contemplate becoming Club members should carefully consider the project they prefer to undertake, and then talk the work over with their parents, the county school superintendent, the supervisor, the county agriculturist, or the teacher. They should enroll on the membership cards furnished for that purpose.

"4. Each Club must select one or more advisors from among the men and women of the community. These advisors will receive the same literature as each Club Member receives, and the advisor should meet with the members from time to time, giving them all the advice possible.

"5. The U. S. Department of Agriculture, State Agricultural College, and the State Department of Education, all co-operate in this work, ask your hearty co-operation and are ready and willing at all times to help you, by answering questions pertaining to the work and by furnishing speakers to explain and illustrate the work being done, wherever possible.

"6. Any boy or girl between the ages of 10 and 18 on a given date, may become a Club member whether attending school or not.

"7. As soon as a boy or girl has enrolled for a Club project, and the enrollment card, properly filled out and signed, is received by the State Club Leader at the Agricultural College, he or she will be sent the first circular of instructions,

first lesson or bulletins and first report card, which is to be filled out and returned to the State Club Leader.

"8. Where five or more Club members are in the same school or locality, an Industrial Club should be organized with officers; regular meetings should be held, and the year's work closed with a local Club fair, if possible.

"9. It is desired that five or more members in the same school or locality take up the same project, such as Pig, Poultry or Corn Club.

"10. Suitable prizes will be awarded from time to time for excellent Club work.

"11. It is desired that each of you, before enrolling, decide carefully on the project you will be able to carry to completion, and that, when you enroll, you do so with the full realization that your greatest returns from the work will not be the prize you may receive but the educational value of the practical training you will secure by following the instructions given.

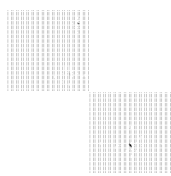
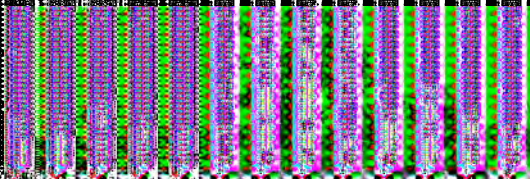
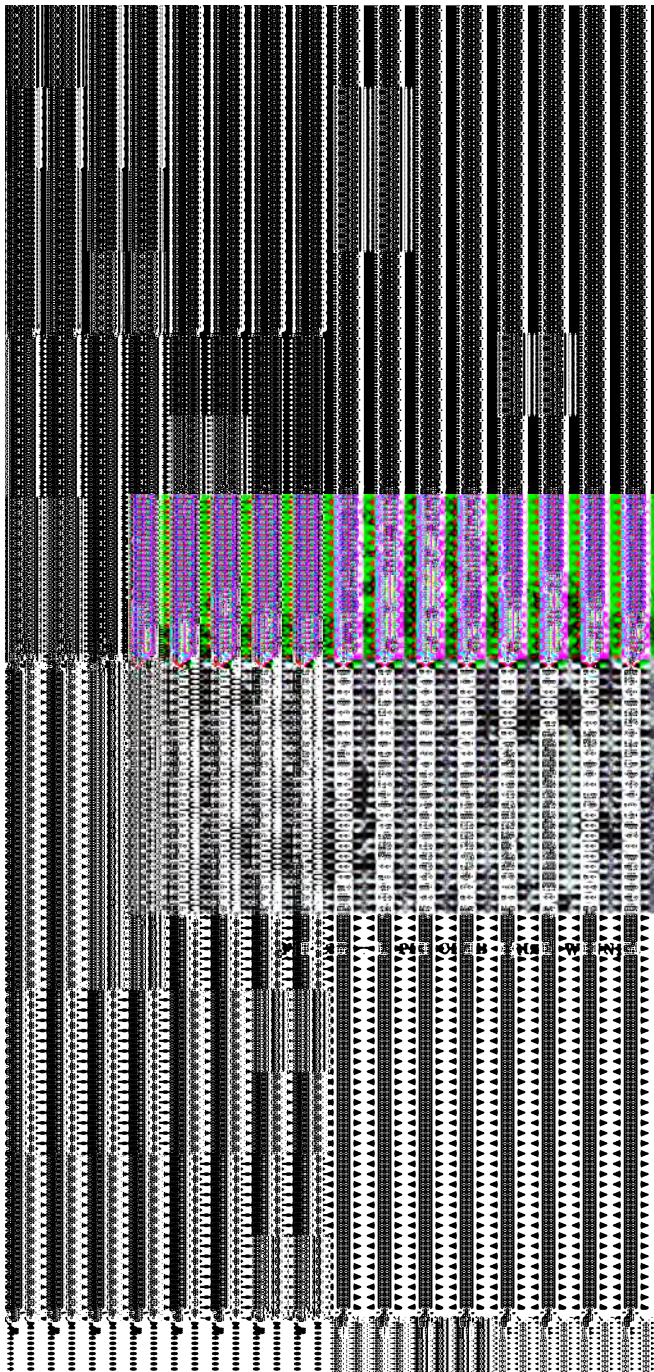
"12. No member will be permitted to take more than two projects, and we recommend that he take only one and do that one well.

"13. A certificate of award will be given to each Club in the State where 75 per cent. of the enrolled members complete their work and make their reports and exhibits.

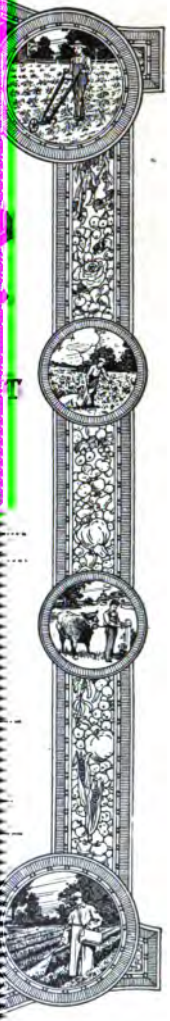
"14. We wish to suggest the following projects as winter, projects: Poultry, Pork, Sheep, Dairy Herd Record Keeping, Baking, Sewing, Food Preparation.

"15. Each member should begin work as soon as possible and finish the project before school closes in the spring or summer, making the report as soon as the work is complete."

Club leaders are unanimously of the opinion that record



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keeping is of the greatest value to every project. Other things being equal the boy or girl who keeps the best records is almost certain to win the prize.

Below is reproduced the report of a prize winner at a recent Oregon state fair.

RECORD OF WEIGHTS BY MONTHS.

If scales can not be obtained, all except the first and last weights of the pig may be estimated.

Month	Weight in pounds.	Date in pounds.
First	18	
Second	34	16
Third	60	26
Fourth	100	40
Fifth	145	48
Sixth	190	45
Seventh		
Eighth		
Ninth		
Tenth		
Eleventh		
Twelfth		
Total	190	172

FINANCIAL STATEMENT AND SUMMARY.

Note.—Do not fill this page until the contest is finished.

EXPENSES.

Value of pigs at beginning, take from page 1	\$ 2.00
Value of pasture, page 2	0.00
Value of grain feed, page 3	0.00
Value of feed, page 3	6.00
Value of kitchen or other wastes, page 4	6.00
Amount of labor, 25 1/2 hrs., page 5	2.55
Value of labor at 10 cents per hour	2.55
Total expense	19.07

RECEIPTS.

Note.—Use only spaces that apply to your pig.

Final value meat hog, _____ lbs.,	
at _____ per lb.	\$ _____

—or—

If a pig for breeding purposes, its weight in lbs. _____ and value _____	\$ 3.00
Total receipts	3.00

SUMMARY.

1. Weight at beginning, page 1	18 lbs.
2. Weight at end of contest, page 4	190 lbs.
3. Total gain in weight. (Subtract answer to No. 1 from answer to No. 2.)	172 lbs.
4. Number of days fed	10 1/2
Average daily gain (Divide answer to No. 3 by answer to No. 4.)	16 1/2 lbs.
5. Cost per pound of gain (Divide last of line by total gain in weight.)	1.18
6. Final net profit (Subtract total expense from total receipts.)	2.12
7. At what fair did you show your pig? Oregon Industrial School, 4. 1911	
8. Did you win a prize? Yes	
9. What were they? Best pig of division	

FIG. 3.—PIG CLUB FINANCIAL STATEMENT

The items are self explanatory but it is necessary often to spend considerable time and thought in analyzing the financial statement so as to profit by the results shown.

EXERCISE 19

The rate of gain is found by dividing the total profit by the cost, thus: A hog cost \$24.00 and the net gain was \$12.00. Hence the rate of gain is $12.00 \div 24 = 50\%$.

What was the rate of gain in the financial statement on page 73?

EXERCISE 20

The following were the actual reports of five bright boys who were members of Oregon pig clubs. The first item represents sow and litter; the remaining items, individual pigs: Find the total gain and the rate of gain in each case, if labor is worth 10c per hour.

Returns For One Pig	Cost	Hours Labor	Money Gain	Rate of Gain
*\$260.00	\$88.32	27		
*\$100.00	\$36.63	36		
\$48.00	\$22.02	16		
\$33.30	\$18.07	10		
\$58.90	\$38.90	19		

* These show the possibilities in registered pigs.

EXERCISE 21

Write a letter to the Boys' and Girls' Club Leader, care of your Agricultural College, asking him how you may become a member of a pig, sheep or poultry club. In this way you will secure information about many different kinds of clubs.

LESSON 21

THE HOUSEHOLD BUDGET

THE first step in the direction of a proper administration of household finances is the preparation of the family budget. By the budget is meant a carefully prepared plan of spending money. It has the same significance in household accounting that it has in any financial institution. Each year your city or state government estimates, under certain definite headings, the amount of money needed properly to carry out the activities of its various departments. The manager of a million-dollar corporation does practically the same thing for his institution. In other words, the budget is simply planning in advance of spending, as opposed to the customary method of spending, and, when too late to rectify mistakes, checking up to determine what has been done with the annual income. The family income bears an important relationship to the home, and the spending of it should receive the same degree of thought and consideration that is accorded the income of any other well-directed organization. The objection is raised by some that the income of the average home is so small that it is useless to attempt the distribution for expenditures until they actually are made. Even if this argument is granted, there is still much to be said in favor of the budget. The discipline and the training in forethought and system it develops, especially among the younger members of the family, are, after all, probably the most valuable results of the budget.

NOTE—Lessons 21 and 22 are extracts from "Extension Bulletin 191, Oregon Agricultural College," by E. B. Lemon and J. A. Bexell.

A careful survey of the available income should be made, based on last year's accounts, and then the several heads under which it is to be expended determined. These headings are of course subject to change to meet the needs of each individual case, but those commonly used are shelter, food, clothing, operating expense, advancement and general.

It is customary in preparing model budgets to base them on the "statistical family" consisting of two adults and three children under 14 years of age. Using the classification suggested, a budget for a "statistical family" whose income is \$1200 would appear as follows:

BUDGET FOR \$1200 INCOME

	Percentage	Amount
Food.....	32	\$384.00
Shelter.....	20	240.00
Clothing.....	15	180.00
Operating Expense.....	10	120.00
Advancement.....	12½	150.00
General Expense.....	10½	126.00

If it is deemed desirable to show the budget in greater detail the following arrangement could be followed.

	Percentage	Per Year	Per Month	Per Week
Food.....	32	\$384.00	\$32.00	\$7.38
Shelter.....	20	240.00	20.00	4.62
Clothing.....	15	180.00	15.00	3.46
Operating Exp. .	10	120.00	10.00	2.31
Advancement... 12½		150.00	12.50	2.89
General Exp. . . 10½		126.00	10.50	2.42
	100	\$1200.00	\$100.00	\$23.08

In order to offer a few suggestions which may be helpful in budget making, a number of typical budgets for various incomes are presented below. The percentages used were suggested by specialists in the School of Home Economics of the Oregon Agricultural College, and are based upon Oregon conditions and current prices. These vary somewhat from the regular proportions given by the eminent authority, Mrs. Richards, which have been used by a number of writers, but were made after a careful investigation of the prices as they prevail here. Before accepting these figures, however, the student should be cautioned that in providing for the expenditure of any income the welfare of all members of the family should be considered carefully. The family's desires and plans for the future will doubtless wield some influence on certain phases of the budget. This is unquestionably true when the income is large enough to permit a reasonable amount to be expended for education and other forms of advancement.

BUDGETS BASED ON VARIOUS INCOMES

Income per year	Food		Shelter		Clothing		Operating Expense		Advancement		General	
	Am't	Pctg.	Am't	Pctg.	Am't	Pctg.	Am't	Pctg.	Am't	Pctg.	Am't	Pctg.
\$600	270	45	120	20	75	12½	60	10	30	5	45	7½
900	360	40	180	20	121.50	13½	108	12	63	7	67.50	7½
1200	384	32	240	20	180	15	120	10	150	12½	126	10½
1500	420	28	270	18	225	15	165	11	250	16½	170	11¼
1800	477	26½	306	17	270	15	225	12½	342	19	180	10
2100	483	23	357	17	294	14	294	14	504	24	189	9
2400	480	20	408	17	312	13	400	16½	600	25	200	8¼

The percentage of the income which should be appropriated to each of the respective headings of the budget naturally

varies with circumstances. The needs of individual families differ and therefore the budget apportionment depends upon the number in the family, family tastes, occupation, whether residence is in city or country, climate, etc. Taking these things into consideration, it would unquestionably be a serious mistake for a family with a given income to follow, item for item, the corresponding budget; or for two families with the same income to prepare their respective budgets on exactly the same basis.

The amount placed opposite "Shelter" in the budget will of course depend first of all on whether the house is owned or rented. In the latter case the only important item would be the amount of the monthly rent; but when the home is owned, several items, such as general upkeep and repairs, taxes and fire insurance must be taken into consideration. In certain cases there are other items which can properly be classified under this heading. One authority suggests that when car-fare is a necessary expenditure, incidental to the situation of the residence from work or school, a legitimate charge against shelter is created.

The headings "Food" and "Clothing" are self-explanatory and need no further comment other than to emphasize the fact that these two items are worthy of the most careful thought. In planning these appropriations, the housekeeper should remember that in no other part of the budget is there greater opportunity for extravagance.

In reaching a decision as to the percentage of income to set aside under "Advancement," the welfare of the family should be considered for some time in the future. Among others, the following items should be included under this appropriation: Savings of all kinds, including payments on

property; money placed in a savings account; all forms of life-insurance, etc.; education, books, newspapers and periodicals.

In every case it will be necessary to meet certain miscellaneous expense items. The services of the physician and the dentist must be obtained at times in order to maintain health. The support of the church and various charitable institutions will make certain demands upon the family income. These and various other expenditures of a similar nature which are difficult to classify are certain to arise. In view of these facts it seems best to provide in the budget for an appropriation under the heading "General Expense." Under this section should appear such items as amusements, travel, and recreation, including annual vacations; church and charity; and the professional services of the physician and the dentist, necessary medicines, etc.

It is useless to make out a budget unless the plan is put into operation and expenditures kept within it. The ideal plan is for all members of the family to have part in its preparation, and a thorough understanding of the family plans, for they all must have an important part in its spending if the plan is successful. The amounts set aside under the respective divisions represent the maximum available and great care should be exercised to see that this limit is not exceeded. This does not mean, moreover, that these appropriations should necessarily be exhausted, if it develops that a liberal estimate was made at the time the budget was prepared. Under favorable circumstances it is to be expected that at the end of the year certain appropriations will show unexpected balance, which can be added to the savings account. Any exception to the rule of not exceeding the budget should be

made only in the event of unforeseen expenses, which are beyond the control of the family, such as an unusual amount of sickness. This might make it impossible to keep within the general section of the budget and make unavoidable inroads on the advancement section. It need not be further emphasized that intelligent effort and persistent determination are the first prerequisites to the success of the budget plan.

EXERCISE 22

Ask your mother to assist in preparing for next year a budget for your own family, based on last year's expenditures as per model on page 77.

EXERCISE 23

Use the following income per year, as listed below, and the percentages of the next lower income in the table, construct a table similar to "Budgets Based on Various Incomes" on page 77: \$700, \$1100, \$1400, \$1600, \$2000, \$2200.

EXERCISE 24

Write down all the advantages you can think of in favor of the budget plan.

LESSON 22

HOUSEHOLD ACCOUNTS

THE preparation of the budget having been completed, the next step in the installation of a system of household accounts is providing a means for the recording of transactions as they take place from day to day. The object of account keeping is to secure facts concerning the operation of a business; the test of the success of a given system of accounts lies in the affirmative answer to the question: Does the system furnish the desired results with least possible expenditure of time and effort? Since extreme simplicity is necessary in household accounting, the form outlined on pages 82-83 is suggested as one which meets all the requirements of the average home.

The careful student will observe that this form follows the budget suggested in the last lesson, in that the columns provided to take care of the various items of expenditure are grouped under the budget headings. The advantage of this arrangement is apparent. Expenditures can be easily compared at any time with the total allotted in each division of the budget. At the end of each accounting period, moreover, information of great value would be available upon which to base the budget for the ensuing year.

The left-hand page of the account book is arranged for receipts and the right-hand for payments. All memoranda are made in the items space. If the item to be entered is a receipt, the memorandum should be noted first in the space opposite the current date. The amount should be carried first into the amount column on the left, then into the proper

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MENTS	
FOR PAYEE	
WARD	
Stakes	30
Butter	70
Magazine	20
Stamps	30
Meat	30
laundry	50
Light	120
Bill	
	20
Butter	15
	50
Meat	50
Com. Meat	15
Church	
Bonds, Savings	
	20
Dish	100
Out Meat	25
Stamps	
Church	
Bond	
Medicine	70
C. A. S.	
Christmas Gift	
Stamps	25
laundry	50
Cream	20
Magazines	50
	10
Meat	50
Stakes	30
Apples	50
Stamps	100
Church	
Stamps	1500
WARD	(Bal. 25.70)

GENERAL		
NO. NAVY	NO. AIR	NO. CLASS
IDENTIFICATION	NO. AIR	NO. CLASS
		30
	50	
3		
	50	
	20	
	2.50	
1		15
		75
	1.50	
	1.50	5
20	6.50	4.20
		21.05

distribution column. Payment items should be handled in a similar manner except that the extensions should be made on the right-hand page instead of the left. Great care should be exercised to see that all items appear in both the total column and the proper distribution columns. This is particularly important for three reasons.

1. The difference between the two columns gives the balance on hand.
2. By means of the distribution columns the proper account is automatically charged or credited, as the case may be.
3. The correctness of the figures can then be easily determined.

Since each item appears in the total column and also in a distribution column, it is clear that the sum of the total column should equal the sum of the totals of the distribution columns. To illustrate: In the form on pages 82-83, the sum of the total column is \$85.35; this amount is also the result obtained when the totals of the various distribution columns are added. Whenever the page fails to check in this manner, it is certain that a mistake has been made either in making the extensions or in addition. If a balance is obtained in the manner just indicated, and the amount the total receipts exceed the total payments agrees with the balance on hand plus the bank balance, then it is evident that, at least as far as figures are concerned, the work is correct.

Before recording any items, the balance of cash on hand and in the bank should be entered, as shown in the illustration, and carried into the total and general columns. In recording the articles purchased in the items column, it usually is not advisable to go into detail; for instance, in entering the purchase of cabbage, 10 cents, pumpkins 15

cents and carrots 10 cents, it is generally sufficient simply to write vegetables 35 cents.

There are two plans of entering the items in the account book, as follows:

1. Enter each item at the time of purchase as shown in the model on page 82 under the dates January 2 to 9 inclusive.
2. Run charge accounts whenever practicable and pay each bill in one amount by check as shown under the date of January 31.

Some argue in favor of the first plan, claiming it desirable at times to check back over the books to determine the amount of sugar, coffee or other items used during a given period. The value of a more detailed classification than that furnished by the separate columns of the account book, however, is somewhat questionable. It undoubtedly simplifies matters considerably, merely to check carefully the sales slip received with each purchase, then enter only the total at the end of the period under a suitable caption, also noting the number of the checks given in payment.

Some writers express themselves against charge accounts of any kind. But if the bills are paid regularly, say by the tenth of each month, and no other plan should be tolerated by the dealer, serious objections cannot be advanced. On the other hand, there is something to be said in its favor. Most grocers, as well as other dealers, follow the plan of giving a sales slip with each purchase, showing not only the details of the purchase but also the balance due on previous unpaid purchases and the balance due to date. This system lends itself readily to checking and also calls the purchaser's attention to the amount of the total bill more promptly than if her own figures had to be relied upon, as would be the case

HOUSEHOLD ACCOUNTS					
RECEIPTS					
WELFARE (PIED)	POULTRY	GARDEN	TOTAL	DATE	ITEMS OR PAYEE
					FORWARD
					<i>Summary by Months</i>
100			100		<i>January</i>
100			100		<i>February</i>
100			100		<i>March</i>
100	60	1	101.60		<i>April</i>
100	80	1.60	102.50		<i>May</i>
100	1.10	3	104.10		<i>June</i>
100	1	2.60	106.60		<i>July</i>
100	70	2.50	102.50		<i>August</i>
100	90	4	104.90		<i>September</i>
107	50		107.50		<i>October</i>
100	80		100.80		<i>November</i>
100	40		100.40		<i>December</i>
1210	6.90	14.70	1231.60		<i>Totals for the year</i>
					<i>Summary by Years</i>
960	4.50	7.10	971.60		1909
1070	5.40	2.50	1077.90		1910
1135	10.25	8.40	1153.70		1911
1180	3.25	6.20	1189.45		1912
1210	6.90	14.70	1231.60		1913
					1914
					1915
					1916
					1917
					1918
					<i>Totals for 10 years</i>
					<i>Average for year</i>
					FORWARD

FIG. 5.—HOUSEHOLD ACCOUNT SUMMARY

if the money were handed over in return for each purchase. The grocery account is particularly adapted to the monthly paying plan.

In this connection it is hardly necessary to state that doing business through a bank is a necessary part of every well-organized accounting system. The service which the bank renders in account keeping is of very great value. The depositing in a bank of all money received should be a rigidly enforced rule of every household wherever practicable. This does not mean that every small expenditure should be made by check. Whenever actual cash is needed to meet petty expenditures a check should be drawn in favor of a member of the family for the amount desired. In this manner all money received can be accounted for through the bank and the cancelled checks serve as receipts for all payments. In all cases when it is not unnecessarily inconvenient, payments of one dollar or above should be made by check.

There are two plans of forwarding the totals of the account book from month to month in such a way as to obtain, without additional labor, the amount of the various columns at the end of the year for the entire period. At the end of a month after all the columns have been totalled and the book proved as explained on page 84, the results should be forwarded to the next page; that is, the total of each column should be placed on the first line in the corresponding column on the succeeding page, with the explanation "Amount Forwarded" in the items space. The procedure should be continued throughout the year. In this way the totals at the end of the page show the total sum of entries in each column from the beginning of the year to date and afford available data for comparison with the particular allotment in the budget.

The objections to this plan of forwarding are that it increases the number of figures to be handled and also fails to show separately the results of each month. It is evident that adding the totals of the preceding month or months to the current one necessitates the handling of large amounts and hence increases, in addition, the possibilities of mistakes. Since each page is self-balancing, however, as explained on page 84, such errors would be easily detected. There is undoubtedly some value in having the results of each month shown separately, especially if the budget appropriations have been reduced to a monthly basis as shown in the illustration presented on page 76.

The other plan is to provide a general summary sheet similar to the illustration on pages 86–87. When this form is used, the total should be carried to the summary sheet under the corresponding month and only the balance on hand—the amount receipts exceed payments—forwarded to the new page in the account book. The opening entry each month would then be exactly the same in form as the illustration on page 82.

This plan meets the objections discussed above but does not show the totals of each column to date, a most desirable feature of the other plan. This information can be easily obtained, however, by totaling the summary sheet.

By changing the heading of the “items” space in the account books from “Items” to “Month,” a summary sheet could be provided in a section of the account book.

EXERCISE 25

Rule a sheet of paper 10 x 15 inches exactly like the model, pages 82–83, following the directions for ruling on page 68, Exercise 17.

EXERCISE 26

1. Write up the following transactions on the ruled sheet, following the model on pages 82-83.

TRANSACTIONS

- Feb. 1—Balance on hand, \$60.25; monthly allowance, \$75.00.
 “ 2—Flour, \$1.75; gloves, \$2.00; stationery, 50c.
 “ 3—Bread, 10c; meat, 50c; stove polish, 10c.
 “ 4—Church, 25c; “Literary Digest,” 15c.
 “ 6—Baking powder, 50c; butter, 45c; Lyceum, 50c.
 “ 7—Meat, 40c; medicine, 50c; frying pan, \$1.25; candles, 10c.
 “ 8—Vegetables, 30c; bacon, 75c; cap, \$1.50; book, \$1.00.
 “ 10—Rent, \$15.00; water rent, 75c; telephone, \$1.00; light, \$1.00; daily paper, 75c; milk bill, \$3.00; laundry, \$1.30.
 “ 11—Church, 50c; paper, 5c.
 “ 12—Savings bank, \$5.00; bread, 15c; lard, \$1.00; sugar, \$1.00; toweling, 60c.
 “ 15—Meat, 50c; butter, 45c; dentist, \$1.00; stamps, 25c; waist, \$2.00.
 “ 16—Sold 5 doz. eggs at 35c; trip to Albany, \$1.50; vegetables, 25c.
 “ 17—Coffee, 50c; sausage, 25c; cream, 20c; meat chopper, \$1.05; help, \$2.00; Ladies’ Aid Society, 50c; hose, 35c.
 “ 19—Sheet music, 50c; coal, \$5.00; liniment, 25c; candy, 10c; bread, 20c.
 “ 20—Meat, 35c; oranges, 30c; rubbers, 70c.
 “ 21—Shoes, \$3.00; cookies, 25c; benzine, 15c; beans, 50c.
 “ 23—Shredded wheat, 25c; spices, 50c; butter, 50c.
 “ 24—Meat, 60c; vegetables, 20c; apples, \$1.00; doily, 40c.
 “ 25—Collar, 30c; concert, 75c; bread, 10c; corn, 50c; cheese, 30c.
 “ 26—Telegram, 40c; hair cut, John, 35c; varnish, 75c; bananas, 25c.
 “ 27—Bread, 20c; steak, 35c; eggs used during month, \$1.20.

2. Total the columns and observe that the sum of the total column equals the sum of the totals in the distribution columns.

EXERCISE 27

1. What results may be obtained by keeping a complete record of receipts and payments?

2. What is the advantage of depositing in the bank all money received and of making all payments by check?

3. Explain the two methods of forwarding the monthly totals.
4. What is the principal object of the budget?
5. Explain the object of the various subdivisions of the budget.
6. What changes did you make in the model budget in order to make it conform to your own requirements?
7. Mention briefly the arguments for and against the charge system.
8. Has your mother's account keeping resulted in a reduction of any of her monthly expenditures?
9. Has she found account keeping interesting or a burden?
10. Why should the different members of the family participate in the preparation of the budget?
11. What should be included under the term "savings"?

LESSON 23

BUSINESS TERMS

The student will memorize the definitions and spelling of the following important business terms:

Account.—A collection of debits and credits under one title, such as cash, produce, merchandise, John Jones, etc.

Accounts Receivable.—Amounts due the business from others.

Accounts Payable.—Amounts due others from the business.

Allowances.—Amounts paid for the use of money or service, such as interest, discount, taxes, etc.

Assets.—The property or capital of the business.

Balance Sheet.—A formal statement of the results of a business for a given period, usually shown under resources and liabilities, losses and gains, net worth, or net insolvency.

Balance.—The difference between the debits and credits in an account.

Bank.—A market for money and credit; an institution for the safe keeping of money.

Bookkeeping.—The recording of business transactions.

Business Transaction.—Exchange of values or services.

Capital.—The amount invested in a business.

Cash.—Money, and negotiable papers payable at sight, used as money, such as checks, bank drafts, money orders, etc.

Cash Book.—A record of cash receipts and payments.

Credit.—A statement of obligations by the business, of a gain, or of goods parted with.

Debit.—A statement of obligations to the business, of a loss or of goods received.

Deficit.—The excess of liabilities above assets.

Discount.—An allowance paid for the advance of money or for payment of bills in advance of due date.

Double Entry.—A system of bookkeeping in which the debts always equal the credits, and in which accounts are kept with persons, things and allowances (or service).

Draft.—An order of one party on a second to pay money to a third party.

Drawee.—The party who pays a draft.

Drawer.—The party who issues a draft.

Expenses.—Costs of conducting the business.

Goodwill.—An amount which a business is assumed to be worth above the net property assets. It depends on the earning capacity of the business.

Insolvency.—The net amount by which the liabilities exceed the assets.

Interest.—The amount paid for the use of money.

Inventory.—A statement of the assets and liabilities of the business.

Invoice.—An itemized statement of goods bought or sold.

Journal.—A book in which entries are arranged under debits and credits in a convenient form for posting.

Ledger.—A book in which entries are classified under separate heads or titles called accounts. The left side of the account shows the debits and the right side shows the credits.

Liabilities.—Accounts and obligations due others from the business.

Merchandise.—Goods bought and sold for profit.

Notes Payable.—Signed obligations due others.

Notes Receivable.—Signed obligations due the business.

Payee.—The party to whom payment is made.

Posting.—Entering debits and credits under the respective accounts in the ledger.

Principal Books.—Books from which or to which posting is done.

Present Worth.—The excess of assets above liabilities.

Resources.—Same as assets.

Single Entry.—A system of bookkeeping in which accounts are kept with persons only.

Trial Balance.—A comparison of the debits and credits of the Ledger in order to ascertain their equality.

Voucher.—A written statement or evidence of a business transaction, usually of a cash payment.

EXERCISE 28

1. What is meant by the term "business"?
2. What is a business transaction?
3. What is meant by the word "vocation"?
4. When should a boy or girl choose a vocation?
5. Mention the advantage and also a disadvantage in making an early choice.
6. Mention three important factors in the successful choosing of a vocation.
7. What is meant by the word "retail" as applied to business?
8. What are some of the advantages offered by the retail business?

EXERCISE 29

1. Write the names of ten individuals or firms engaged in the retail business.
2. Tell the kind, or kinds, of goods sold in each store.

NOTE.—Exercises 28, 29 and 30 are a review of Lesson 1.

- 3. Do you know any boys or girls employed full or part time in any of these stores?**
- 4. If you can give any names in answer to Question 3, tell the kind of work done by each friend named.**
- 5. Explain the importance of one of these retail stores in your community.**

EXERCISE 30

- 1. Find out how the proprietor of one of these stores got his start in business and report to the class.**
- 2. How many employes has any one of these stores?**
- 3. What kind of work does each employe perform?**
- 4. Write a short essay on the advantages of one of these businesses from your viewpoint.**
- 5. Write a short essay on the disadvantages of the business you selected for the essay called for in Question 4.**

LESSON 24

BUSINESS FORMS

A MULTITUDE of forms must be used by every business man in his relations with others for the purpose of giving condensed and adequate information, and to secure the greatest accuracy. Certain conventions in the preparation and use of forms have so forced themselves upon the business world that it is looked upon as ignorance not to be familiar with those in common practice. In this lesson it is our purpose to discuss

Covell, Oregon Sep 17 1918
Received from D. F. Jones
Thirty three and 50/100 Dollars
For labor and material in full to date
4350
John B. Smith

FIG. 6.—THE RECEIPT

some of the forms which are in constant use and with which every business man must be acquainted. In studying this lesson the student should study very carefully all the model forms.

The Receipt.—A receipt is an evidence of the payment of money. The form of this particular business document is of minor importance, but it is essential that one should know its legal significance. A written evidence of payment is conclusive unless oral evidence is introduced which shows beyond a doubt that an error was made, and that the receipt

was not the intention of the writer. It is of great importance that a business man should acquire the habit of giving a receipt, and requiring one for all payments of money.

The Invoice.—The invoice is a written statement of goods sold by one party to another, giving the date, names of the buyer and seller, the terms and the items.

The terms "invoice" and "inventory" are often confused. An inventory is a list of goods on hand at a given date, and

Cornwall, Oregon, Sept. 17, 1918.

M. Edgar A. Sabin

To *J. M. Nolan and Son, Dr.*

Per Cash

10	<i>4/8 Moplin</i>	10	1		
10	<i>Shooting</i>	50	5		
2	<i>Wooly Underwear</i>	1.50	3		
1	<i>Shirt</i>		2		
2	<i>pair shoes 3.75</i>	4.50	7.50		
					18.50

FIG. 7.—THE INVOICE

not a "bill" of goods, which is synonymous with "invoice." An important requirement of the invoice is that it shall be complete, and give all the information necessary. No goods should be shipped to another without a bill being sent by mail about the same time the shipment is made; and no goods should be received without checking it with the bill, both as to accuracy of amount, and as to the quantity and quality of goods. If the bill is not found to be correct, it should be returned to the seller for correction. It is not usually satisfac-

tory for the purchaser to make his own corrections. Where the business is organized into departments, the bills should be checked by a representative of the department, and his "O. K." and signature should be on the face of the bill. The distribution of accounts should be noted on the bill as a guide to entering in the records. This is really one of the most important steps in bookkeeping, since the entry is simply classifying what has already been shown on the bill.

Negotiable Instruments.—Over 95 per cent. of the world's business is done through the medium of credit papers. This great class of contracts is known collectively as "negotiable instruments." It is because every modern business man must use these business forms that they constitute such an important subject for study.

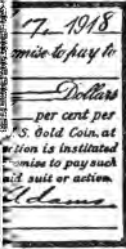
A negotiable instrument is either (a) a contract by one party to pay a certain sum of money to another party, or to whomsoever he may designate; or (b) an order of one party on another to pay money to a third, or to whomsoever he may designate.

The distinguishing features between negotiable instruments and all other contracts are:

1. They must be written.
2. They must be payable in money.
3. They must be made payable to order or to bearer.
4. Time must be specified; payable absolutely without conditions.
5. They must be transferable by endorsement.
6. If the instrument is passed in good faith and for value, by the original payee to another, the subsequent holder has a better right against the maker than the payee.

To illustrate: A gives B a note payable in a certain num-

it, but is not
 in money.
 patent to B,
 sells the note
 final transac-
 he bought
 pay it, even
 But A could
 order to get
 The same



drafts, bills of
 instrument.
 other forms of
 already been
 contract of one
 on his order.
 maker, or the
 the party to
 may be subse-
 transferred

from one person to another. The note is not negotiable unless it is a promise to pay the money at a definite time. For instance, a note to pay money at a convenient time is not negotiable since a "convenient time" may never come.

The best possible advice that can be given to a person who contemplates giving a note to a stranger for any purpose whatever is "Do not sign it."

The Draft.—In a preceding paragraph, it was pointed out that one form of negotiable instrument was the order of one party upon another to pay a third. One of the most common forms of this class of negotiable instruments is the draft.

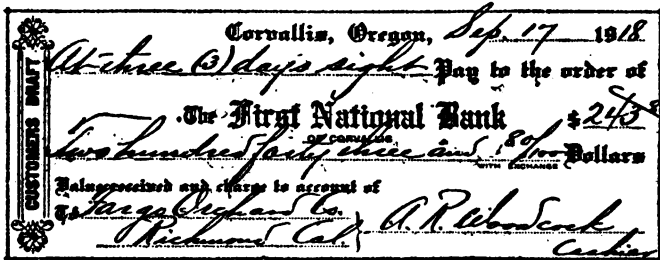


FIG. 9.—THE DRAFT

There are two kinds: an individual draft, which is an order of one individual upon another; and a bank draft, which is an order of one bank upon another to pay money to a third party.

The uses of these two classes of instruments are best illustrated by examples. Suppose Farmer Jones owes Farmer Smith \$150 for a horse, and Farmer Smith owes Brown & Co., a farm implement house. Also that this implement house owes Jones \$150 for carpentry work. Jones could write a draft on Brown & Co., payable to Smith for \$150 and Smith could take this to Brown & Co. and pay his bill, and thus all three would have been paid without exchanging money.

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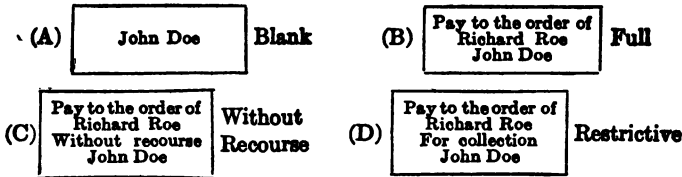
the same form of negotiability—payable to order or to bearer.

It is illegal for a person to draw a check on a bank in which he has no deposit. One thing is important to bear in mind—it is not a payment of a debt—it is not legal tender. You may offer a man your check and he may refuse it. It does not have the same effect as if you were to offer him a \$20 gold piece. In the latter case, if he refuses to accept the money, you are not thereafter obliged to tender it again, while in the former case, you can be compelled to change the form of payment into legal money.

The Voucher Check.—A discussion of the various forms of checks will be incomplete without considering the voucher check which is rapidly winning favor among all classes of business men.

A voucher check is an ordinary bank check on which provision is made for a description of the account and certain other details pertaining to the payment, which are invaluable in connection with bookkeeping work, and which also tend to make the check a complete record of the transaction, and a good receipt for the payment. In fact, where a voucher check is used, a special receipt is seldom required. The voucher check is always to be used wherever it is required that a check be countersigned, especially in the case of a corporation. In such cases, a check is completely made out with all the details of payment, and submitted to the officer, usually the president, whose duty it is to countersign, or sanction the payment.

Indorsements.—There are three kinds of indorsements of negotiable papers which should be noted; simple indorsement (A), full indorsement (B), without recourse (C), and restrictive indorsement (D), shown as follows:



They are written or stamped on the back of the left end of the paper. It is inadvisable to enter into a complete discussion of indorsements. This is reserved for your course in commercial law. However, it should be remembered that except in the case of a restrictive endorsement, the responsibility for the final payment of the bill rests with the indorsers in the inverse order. That is, if M is the maker, P the payee, and A, B, C and D are the indorsers, then C is responsible to D, B to C, A to B and M to A.

EXERCISE 31

Write two receipts for different transactions, which you or your parents may suggest, similar to model, Fig. 6, size 3 x 6 inches.

EXERCISE 32

Write two invoices, each having not less than five items, using Fig. 7 as a model. Size 7 x 9 inches.

EXERCISE 33

Write two drafts with different amounts and parties, similar to the model, Fig. 9. Size 3½ x 7 inches. Make up the transaction similar to Exercise 31. Name the drawer, the drawee and the payee in the model and in your exercise.

EXERCISE 34

Write two checks similar to the model on page 101. Size 3 x 6 inches. Make up the transaction similar to Exercise 31.

EXERCISE 35

Write two promissory notes with different amounts and parties similar to the model on page 99. Size 3½ x 7 inches. Make up the transaction similar to Exercise 31. Name the maker and the payee in the model and in your exercises.

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J. B. Lippincott



often only a few items will be found in each column. There are many advantages of the special columns, however, chief of which is the easy balancing feature and the readiness of auditing this form of cash book. In your future courses in accounting you will learn various forms of special-column books and how they are used with various forms of ledgers. In practice the form of cash book discussed in Lesson 19 would be more convenient in a little business like this. The heading would correspond to the ledger accounts, thus replacing the ledger.

EXERCISE 36

Study carefully the model on pages 104-105. Then rule a sheet of $8 \times 10\frac{1}{2}$ inches exactly like the model. Make the "cents" column $\frac{1}{4}$ of an inch wide and the "dollars" column $\frac{1}{4}$ of an inch. Make the date and folio columns each $\frac{1}{4}$ and the month column $\frac{1}{4}$. The balance of the space is divided equally between the "account" column and the "explanation" column. Observe the same rules for ruling as in Lesson 19.

Write in the headings exactly as in the illustration and then enter the cash receipts noted below. The business received from Paul E. Billeter an investment of \$40.00. Note that a distinction is made between the owner of the business and the business itself. The proprietor, Mr. Billeter, debits the business with all he puts in and credits it for whatever he draws out.

CASH RECEIPTS, APRIL, 1918

- April 1—Cash invested in news business, \$40.00.
 " 8—Paper route collections, \$6.00.
 " 10—Miscellaneous street sales, 20c.
 " 12—Bonus received from company, \$14.50.
 " 15—Paper route collections, \$6.50; Post route collections, \$1.00.
 " 22—Paper route collections, \$8.00; Post route collections, \$1.00.
 " 28—Paper route collections, \$8.50; Post route collections, \$1.10.
 " 30—Prize money from company, \$10.00.

Compare your work with page 104 and see to it that it is exactly like the model.

EXERCISE 37

Rule another page the same size, exactly like the receipts, and enter the cash payments listed below. Complete the exercise in the same manner as the receipts. Immediately below the last entry, enter in red ink the Cash Balance, \$37.25. This balances the two sides of the Cash Account.

CASH PAYMENTS

- April 1—Bicycle, \$30.00; Goodwill of news route 62, \$5.00.
" 8—Week's paper bill, \$1.80.
" 11—Repairs on bicycle, \$1.00.
" 13—Leland Jones, helper, \$1.00.
" 15—Week's paper bill, \$2.25; 25 "Weekly Posts," 50c.
" 21—Petty payments, carfare, punctures, 50c.
" 22—Week's paper bill, \$2.40; Easter greeting posters, 50c;
Leland Jones, helper, \$1.00; "Weekly Posts," 50c.
" 28—Week's paper bill, \$2.55; "Weekly Posts," 55c.

Now rule both sides in red ink exactly like the model. Observe that the ruling is on the *same line* on both sides of the paper, even when there are fewer entries on one side than on the other. Finally bring the balance down on the left side *below the ruling* as shown in the illustration.

Having made all the entries and added the items column, compare your work with the model and see that they are alike in every respect.

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The arrangement of the columns is self-explanatory. On each side is a date column, an explanation column, which is seldom used, a folio column in which is recorded the page *from which* the posting is done, and a money column.

EXERCISE 38

Rule both sides of a sheet of paper $8 \times 10\frac{1}{2}$ inches exactly like the model, observing the same instructions for ruling as in Lesson 19. There should be 32 horizontal lines to each page. Number the pages 1 and 2.

EXERCISE 39

On the first line of page 1, in the center of the page, write, *Paul Billeter*; on the 8th line below, write *Cash*; and so on. Write all the accounts shown in the illustration on pages 108-109.

Now take the Cash Book and post the entries into the accounts you have opened. The first item is April 1, Paul Billeter, \$40.00. Cash was debited when it was entered on the receipt side because it came into the business and Billeter is now credited because he made the investment. Since the same amount was entered as both a debit and a credit, there is a double entry.

In a similar manner, post all the receipt items under the various accounts and then check to see that the credits in the ledger are like the model. Finally, post the total of the cash receipts, \$86.80, under the cash accounts in the ledger. Then note that the two sides of the ledger are equal. In practice the cash account is often omitted from the ledger, the cash book being considered a detached ledger account.

In like manner post the payments on the debit or left side of the ledger and the total of cash paid out on the right side of the cash account in the ledger. Then check and see that the total debits are equal to the cash credit.

THE TRIAL BALANCE

We have seen that for every debit there is an equal credit. The total debits are therefore equal to the total credits, also the total debit balances are equal to the total credit

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cluded in the Loss and Gain Statement are balanced and that only those in the Assets and Liabilities Statement are open or active. Note also that the Assets and Liabilities Statement is a trial balance of the amounts carried forward to the next balance period. This process of balancing the loss and gain accounts and bringing down the balances of assets and liabilities is called *closing the ledger*.

LESSON 27

A NEWSBOY'S FINANCIAL STATEMENT

A **FINANCIAL** statement is a summary of the condition of a business at a given date. Usually it is divided into three parts: (1) The Balance Sheet or a statement of the assets and liabilities; (2) The Income Sheet or a statement of losses and gains; and (3) a statement of Receipts and Payments. A great variety of accounts are included under the financial statement, depending on the character of the business, but the general form is the same as that illustrated on page 116.

Mr. Billeter now prepares his financial statement for the year ending December 31. His ledger shows the following assumed trial balance as a result of the nine months' business:

TRIAL BALANCE, DECEMBER 31, 1918.

	DR.	CR.
Paul Billeter.....	\$47 00	
Cash in Bank.....	95 00	
Daily News.....		\$242 00
Weekly News.....		30 00
Magazines.....		25 00
News Route No. 62.....	5 00	
Expense.....	45 00	
Assistance (Wages).....	83 00	
Equipment.....	60 00	
Notes Payable.....		20 00
Notes Receivable.....	10 00	
Accounts Payable.....		8 00
Prizes.....		20 00
	\$345 00	\$345 00

He also finds the following inventory:

INVENTORY

Wheel.....	\$50.00
Magazines.....	15.00

During the year the old wheel, which cost \$30.00 was exchanged for a new one at \$50.00.

You will remember that an inventory is a statement of the goods on hand at a given time. A good inventory contains the number of articles or quantity, the kind of goods, the price, which is usually the cost or market value, whichever is the lowest. In this case, though the wheel cost \$60.00, it is found that by reason of "wear and tear" the wheel is worth no more than \$50.00. This drop in value through use or deterioration is called depreciation. There are a number of magazines on hand and these can be sold for \$15.00.

You will notice from the trial balance that Mr. Billeter's business has grown considerably during the nine months from April 1 to December 31. Paul Billeter's account needs explanation. He invested \$40.00, but he withdrew from the business, as shown by the cash account, \$87.00; hence he stands debited with \$47.00. Note that there is a balance under Notes Payable. This is a note which Paul gave his father when he borrowed \$20.00 from his father in order to exchange for a new wheel at a discount.

From what is found in the trial balance and from the inventory, Paul is now able to show exactly how the business stands and also wherein he has lost and gained during the year.

EXERCISE 40

On a sheet of paper ruled exactly like page 116, prepare the following financial statement. Fill in the amounts in the blank spaces:

FINANCIAL STATEMENT OF PAUL BILLETTER, DECEMBER 31, 1918
BALANCE SHEET—ASSETS AND LIABILITIES

<i>Assets:</i>				
Cash.....	\$95 00			
Equipment.....	50 00			
Magazines on hand....	15 00			
News Route No. 62....	5 00			
Accounts Receivable Due from Patrons....	10 00			
Total.....				
<i>Liabilities:</i>				
Notes Payable, Note to Father.....	\$20 00			
Accounts Payable, Due "Daily News".....	3 00			
Accounts Payable, Due "Weekly Post".....	5 00			
Paul Billeter, Net Worth.....				
Total.....				
INCOME SHEET GAINS AND LOSSES				
<i>Gains:</i>				
"Daily News".....	\$242 00			
"Weekly Post".....	30 00			
Magazines.....	40 00			
Prizes.....	20 00			
Total.....				
<i>Losses:</i>				
Expense.....	\$45 00			
Assistance (Wages)....	83 00			
Depreciation on Equip- ment.....	10 00			
Net Gain.....				
Total.....				

CASH STATEMENT

<i>Receipts:</i>					
Paul Billeter.....	\$40 00				
"Daily News".....	490 00				
"Weekly Post".....	62 00				
Magazines.....	75 00				
Loan from Father.....	20 00				
Prizes.....	20 00				
Total					
<i>Payments:</i>					
Equipment.....	\$60 00				
"Daily News".....	250 00				
"Weekly Post".....	32 00				
Magazines.....	50 00				
News Route No. 62. . .	5 00				
Expense	45 00				
Assistance.....	83 00				
Paul Billeter.....	87 00				
Cash on hand.....					
Total.....					

EXERCISE 41

The rate of gain on the investment is found by dividing the amount gained by the amount invested. Thus the investment was \$125, the gain was \$250, the gain per cent. is 250 divided by 125, or 200 per cent. What gain per cent. on the investment did Paul make?

LESSON 28

THE BUSINESS OFFICE

Equipment.—By office equipment is meant the desk, files and devices which are used in the conduct of the business. It should be adapted to the business at hand and while the office should not be crowded with unnecessary material it should contain everything necessary to render the office practice effective and pleasant. Great care should be taken to have the office present a good appearance. Most people dislike an office littered with waste material and presenting a shabby appearance.

The Desk.—The desk is, probably, the most important of all office conveniences. It should be selected carefully in regard to size, style and arrangement so as to promote the most effective work. Every division should have its definite use. Thus, the upper left-hand drawer may be devoted to unfinished business, the deep drawer below to a private vertical file, and the right-hand drawers to different lines of work, according to the character of the business. Whether the roll-top or the flat-top should be used depends on the business. In each case the desk should be cleared and everything properly arranged before the office is closed for the day. The flat-top desk insures the observance of this practice more regularly than the roll-top and is coming to be preferred by most office people.

Office Supplies.—As it is poor economy to work with unsatisfactory tools, so it is poor economy not to provide the office with the necessary office supplies. The most important of these are good stationery, the best quality ink, pencils,

paper clips, blotters and many articles of daily use. The student should early gain habits of economy in the use of little things about the office and to observe the rule here as always: "A place for everything and everything in its place."

A knowledge of the price of the most common articles of office supplies is essential to the office employe. Ignorance of prices generally leads to extravagance and waste; a knowledge of prices to care and economy.

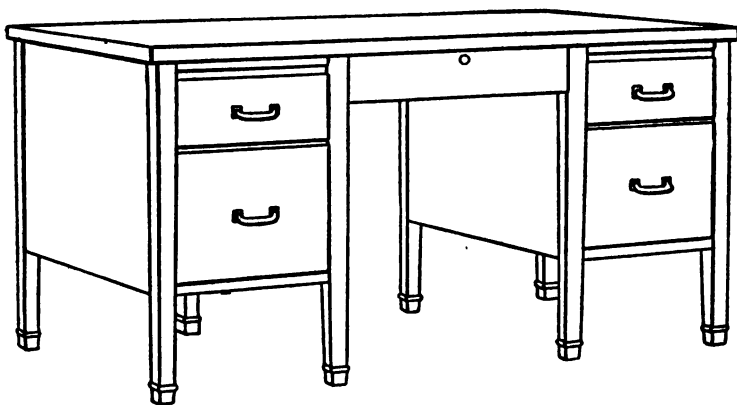


FIG. 17.—THE DESK

Office Hours and Appointments.—Every business man should adopt a definite schedule of office hours so that the public may know definitely when and where he may be found. Appointments must be kept with great care. It is impossible for a business man to retain the good will of other business people if he continually steals their time by failure to keep appointments. If it is impossible to keep an appointment the party should be notified promptly of the change. A memorandum record of appointments should be kept to insure promptness and accuracy.

EXERCISE 42

1. What is meant by office equipment?
2. What should be observed regarding equipment?
3. Why is it important that the office present a good appearance?
4. Discuss favorably some office you know.
5. How should the desk be arranged?
6. Discuss unfavorably some office you know.
7. Why is it important that drawers in a desk be arranged in a uniform manner?
8. When should a roll-top and when a flat-top desk be used?
9. Why is it important to clear the desk daily?
10. Why is it important to provide the office with suitable supplies?
11. Why is it important for office employes to know prices of supplies?
12. Discuss the importance of appointments.
13. How should appointments be recorded?
14. Mention some effects of laxity in keeping appointments.

EXERCISE 43

1. Make a drawing of your principal's office locating the desk and other office equipment. (The instructor may suggest substitutes.)
2. If your teacher so directs, ask your principal to explain to you just how his desk-space is utilized.
3. How could this be improved so as to lessen work?
4. Make a list of the furniture in your school building and find the prices of each.
5. Make a list of the supplies used in the schoolroom and office and find their prices.
6. Point out how savings could be made in equipment and supplies.
7. Find out how worn carbon sheets may be restored to their former condition and used longer.
8. What use may be made of faint typewriter ribbons? Worn-out ribbons?
9. By the use of figures based on prices of office supplies, show how much money may be wasted by a little carelessness in the use of office materials.
10. What habit should be formed early in connection with the use of office furniture?
11. Find out how office furniture should be cared for to preserve its new appearance.
12. Why do inkwells have covers?

LESSON 29

FILING CORRESPONDENCE AND DOCUMENTS

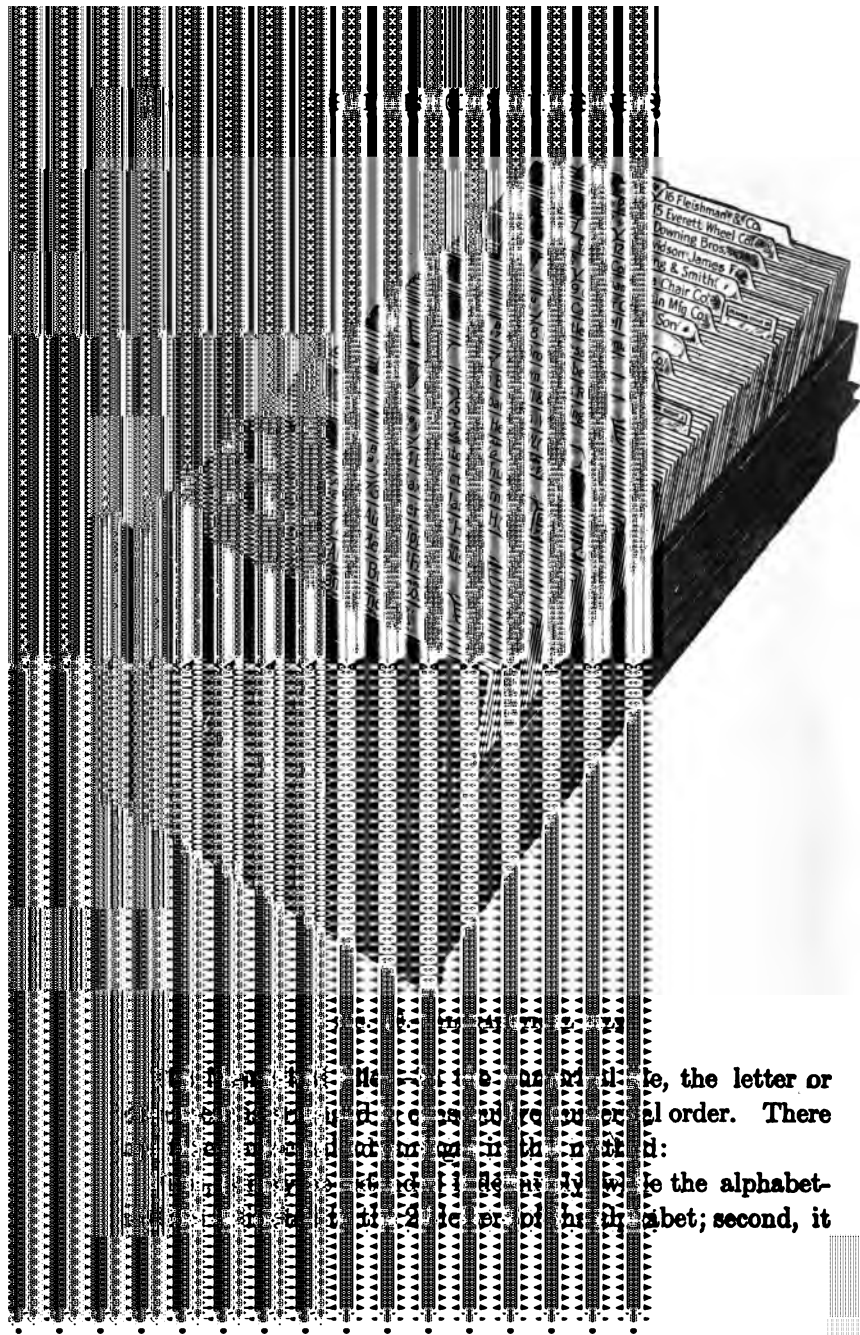
SYSTEM is one of the first lessons that should be impressed on everyone. It is a valuable lesson to every boy and girl, but especially so to business men and women.

Applied to business correspondence and documents, the art of classifying and arranging material for ready reference is called filing. There are several different methods of filing but in this lesson we will consider only two methods especially adapted for correspondence and documents, namely the alphabetical and the numerical methods.

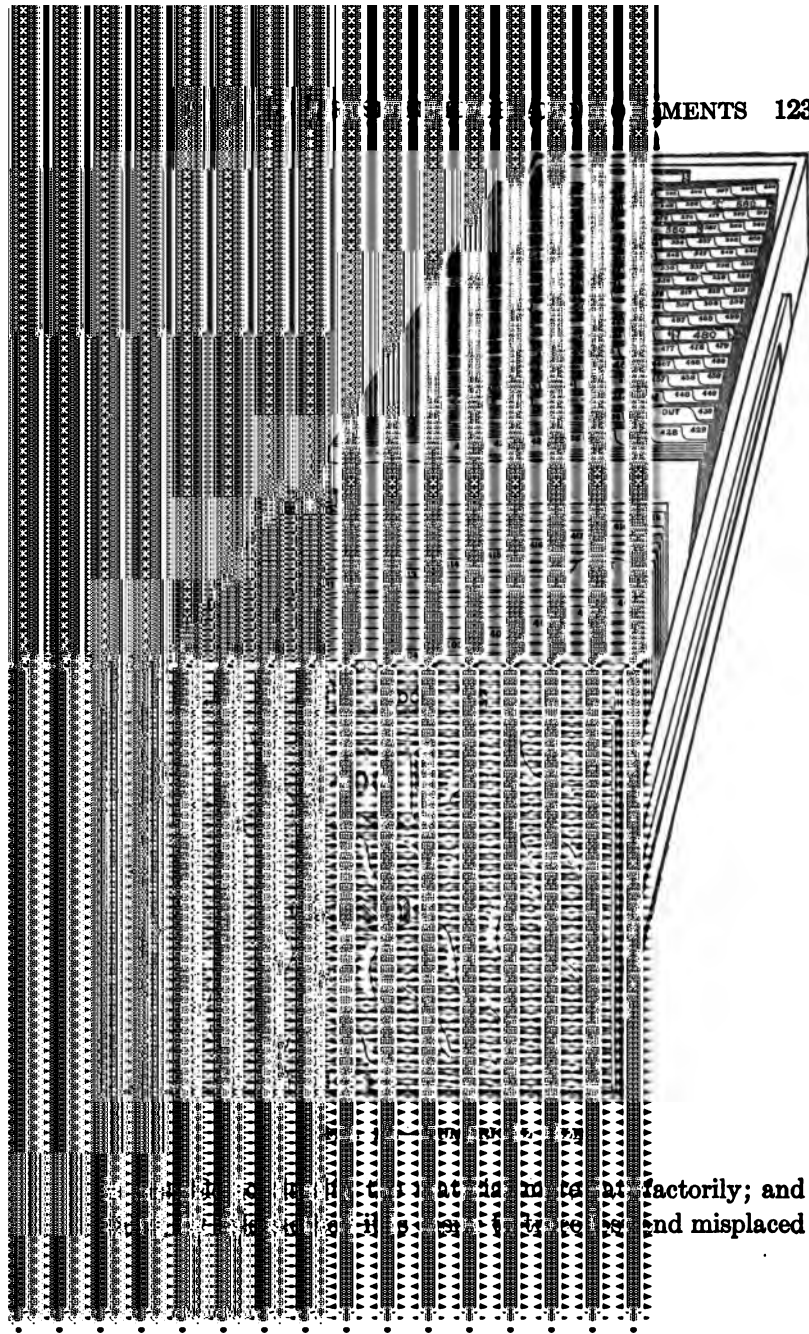
The Alphabetical File.—The alphabetically arranged file is best illustrated by referring to a dictionary, a telephone directory, or the index of a book. The words and names are arranged so that those which begin with "A" come first, those beginning with "B" next, and so on, for example:

Abraham, E. K.
Adams, N. K.
Alcorn, W. S.
Baker, C. H.
Baldwin, L. B.
Baldwin, W. J., etc.

Note also that the succeeding letters under the A's are arranged in alphabetical order, likewise under the B's, and so on. Also, if there are several of the same name, the first initials are arranged in alphabetical order. Fig. 18 illustrates this method of filing.



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items. The common method is what is known as the vertical file, which consists of folders, pockets or envelopes, arranged in numerical order. A folder is devoted to each subject or name and each item placed in the folder is numbered the same as the container. It is customary to provide tabbed

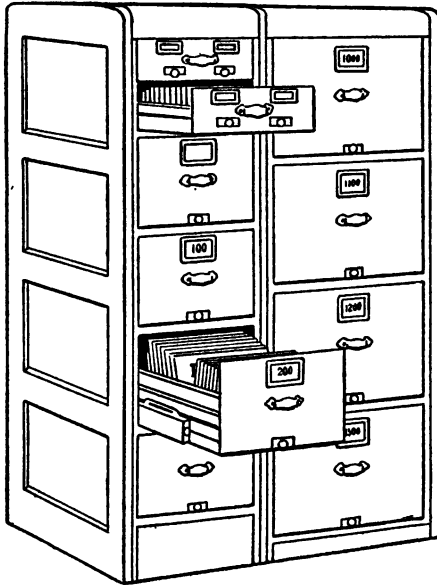


FIG. 20.—FILING CABINET

guides usually numbered 1, 10, 30, etc., in large files for convenience in operating the system. It is very important that the folders are kept in numerical order since misplaced ones often cause great inconvenience.

An important part of the system is the card index. It consists of cards 3 by 5 inches, containing the items found in the file. The number of the folder is placed opposite the

item just as the page is numbered opposite the item in the index of a book and the cards are arranged alphabetically as described above.

The style of the cabinets containing the folders and the cards depends on the size and other conditions of the office. A very convenient style of cabinet is shown in Fig. 20. The small drawers above contain the index cards and the large lower drawers the numerically arranged folders.

EXERCISE 44

1. On a sheet of paper write 50 or more names with the surname written first, thus: Jones, Geo. E.
2. Arrange the names in numerical order by numbering them from one up.
3. Arrange the names in alphabetical order by writing each name on a separate slip of paper, then arrange the slips alphabetically.
4. In the same manner write a list of at least 25 subjects such as history, mathematics, English, etc., and arrange them like the index of this book.
5. Fold five sheets of paper like Fig. 19 and number the folders consecutively. Group the cards in number 4 above under five groups and place them in the folders.
6. Cut cards 3 by 5 inches and index the items in number 5 as explained on page 124.
7. Visit a local bank or store or the principal's office in the school and describe the filing methods you observe.
8. Ascertain what filing there is to be done in your school offices and ask permission to do this work under your teacher's direction.

EXERCISE 45

1. What are the objects of filing?
2. Explain the alphabetical method.
3. Explain the numerical method.
4. What is meant by the vertical method of filing?
5. What are the advantages and disadvantages of each method?
6. Describe suitable cabinets for each system of filing?
7. Why is it important that items be not misplaced in the file?

LESSON 30

WRONG BUSINESS METHODS

ONE of the greatest evils among both old and young is a tendency to extravagance and waste. In Lessons 12 to 18 we discussed the ways of thrift; here we will point out some wasteful habits and how to avoid them. There are very many wrong business methods but we will consider a few only.

Waste of Labor.—One very common wasteful habit is found in doing things the longest way instead of the shortest. Every boy and girl would consider it foolish to take the longest and roughest road to school rather than the shortest and smoothest. In going to school you find the short cut. And yet that is the very thing nine-tenths of us overlook in our daily work. This is perhaps more noticeable in the home than in any other place. For example, think of the great number of steps mother loses every day by having the well or water faucets placed in a wrong location. On the farm, a large share of the labor and drudgery may be avoided by carefully planning the location of buildings, roads and equipment. In the store or office, the same is true. Every unnecessary step and motion should be avoided, and short cuts should be taken whenever possible. Remember that there is a shortest and best way of doing everything, and that this is the cheapest and most pleasant way. Get into the habit of always avoiding lost motions and of finding the shortest and best way of doing everything.

Waste of Money.—Money is wasted in a great many ways, but, aside from spending carelessly, getting no value in

return, one of the greatest wastes of money is keeping it idle. Money is "stored up labor" and hence it must work just as a man must work in order that he may be profitable. One of the best ways of getting money to work is to put it into a savings bank until a sufficient amount is saved to invest more profitably. The following table shows how money grows when it is put to profitable employment:

HOW SAVINGS GROW

Weekly Deposit	Rate	5 Yrs.	10 Yrs.	20 Yrs.	40 Yrs.
\$.25	4% Com- pounded	\$73	\$162	\$403	\$1294
.50	twice	146	324	806	2588
1.00	a	293	650	1614	5177
2.00	year	585	1301	3228	10355
5.00		1462	3252	8070	25888

Many merchants are very short-sighted in failing to take advantage of discounts by paying bills promptly. Most wholesale dealers give a liberal discount for receiving their money within ten days of the date of the bill. It is sometimes good economy to borrow the money at the bank and to discount the bills. This is evident from the following example:

Amount of bill if paid in 30 days, \$100; 3 per cent. discount if paid within 10 days or \$3.00. This means \$3.00 for 20 days. The interest on \$100 for 20 days at 6 per cent. is 33½ cents. Hence, a saving of \$2.67. On \$1000 the saving would be \$26.70 and so on.

Bad Food.—In operating a gas engine it is very important to select the proper fuel, and in order to do the right kind of

work it must be properly mixed. Also the engine must be supplied with abundant oil and water in proper proportions. Viewed as a machine, the body must be supplied with the right kind of fuel to do proper work and a certain amount of material to keep it in repair. This is often overlooked as a business principle, with the result that the body soon becomes unable to do good work, sickness comes and early death.

Boys and girls would do well to study five principal elements which are necessary to maintain the body in good working order. They are water, protein, fat, carbohydrates and minerals. An abundance of water aids digestion and keeps the circulation in good condition; protein, such as meat, white of egg and gluten of grain, forms tissues, such as muscles, nerves, skin, etc.; fats and carbohydrates, such as sugar and starch, furnish energy and heat; and minerals, such as lime and potash, form bones and keep the fluids of the body in good condition. All these elements must be mixed in proper proportion or the machine will not "work" properly. The student is advised to secure bulletins on Human Feeding from his State Agricultural College and from the United States Department of Agriculture. (See especially "Bulletin 28," Office of Experiment Station, United States Department of Agriculture.)

It must not be supposed, however, that, because a certain food contains the right quantity of nutrients, this should be used to the exclusion of the rest. Very many elements enter into the problem of food which cannot be considered in this lesson.

Bad Working Conditions.—Nothing is more important to the office, store, factory or home than light, heat and venti-

lation. Successful business cannot be conducted without proper working conditions. It is very important that this lesson be learned very early so as to establish correct habits. It is not practicable to go into details in this lesson. Conditions differ largely in different localities and under different circumstances. The student should write for information on the subject to the State Board of Health, the Agricultural College or the United States Department of Agriculture. The most important thing is to know what correct working conditions are and then to exert your best efforts to secure them. You usually can get good light and ventilation if you insist on having them.

Bad Habits.— A word should also be said in regard to personal appearance. No one can hope to succeed in the majority of business employments without careful attention to dress and personal habits. Alcoholic beverages and tobacco are forever barred from the society of the most successful business people. Many railroads, banks and commercial institutions state in their contracts of employment that prompt discharge follows the use of liquor and tobacco. Scrupulous attention should be given the toilet. Uncleanliness is not tolerated among high-class business people.

EXERCISE 46

1. Study the different rooms and furniture at home and point out waste of labor and how it could be avoided.
2. Point out how the lighting, heating and ventilation of your school building could be improved.
3. Construct a table like that on page 127, showing how savings grow at 5%.
4. Construct another table where the payments are made monthly and the interest compounded twice a year.

EXERCISE 47

1. Mention several ways of wasting labor.
2. Why is money stored labor?
3. Why is it economy to borrow money and discount bills?
4. Why is it bad business to use food improperly?
5. What are the five principal elements of food?
6. Name some unsatisfactory working conditions.
7. How may you secure proper working conditions in school and office?
8. Name some bad habits and discuss their results.

LESSON 31

CO-OPERATION

To co-operate means to work together. Everyone knows the old sayings: "In union is strength"; "United we stand divided we fall." Look at a silver dollar and you will find the eagle proclaiming, "E Pluribus Unum" which means *one out of many*. This is true co-operation. Many pulling together for one common purpose. This great principle we will illustrate in this lesson.

One of the best illustrations of co-operation is found in the fable of "The Bundle of Sticks." "An old man on the point of death summoned his sons around him to give them some parting advice. He ordered his servants to bring in a fagot of sticks and said to his eldest son: 'Break it'. The son strained and strained, but with all his efforts he was unable to break the bundle. The other sons also tried, but none of them was successful. 'Untie the fagots', said the father, 'and each of you take a stick'. When they had done so he called out to them, 'Now break!' and each stick was easily broken. 'You see my meaning', said the father, 'Union gives strength'."

Every boy and girl has watched the ant-hill and many remember the sting of the little warrior as it tried to defend its home and co-workers from the ruthless destruction caused by thoughtless children. I wish everyone would read Proverbs, sixth chapter and sixth verse. Here is what the wise man says about the ant: "Go to the ant, thou sluggard: consider her ways, and be wise: which having no guide, over-

seer or ruler, provideth her meat in the summer and gathereth her food in the harvest." This is all done by unselfish co-operation. Every one of the little ants is ready and eager to do his mite for the comfort of all. There is no such thing as a selfish, lazy member in the ant-hill. And how do they stick together? The whole world is centered in their home and no member causes sorrow or pain to another.

It would be a very instructive lesson in co-operation to study the bee as it manufactures that sweet honey of which we are so fond. Did you ever think of the fact that the honey you eat for lunch represented the work of thousands of bees? And why did they build their curious wax houses and fill them with the perfumed nectar of a thousand kinds of flowers? That each may be comfortable during several months of idleness when there are no flowers from which to pick honey. Note the unselfishness of the bees. They all work together in harmony for one common good.

EXERCISE 48

1. Relate the fable of The Bundle of Sticks.
2. What is meant by co-operation?
3. How does the ant co-operate?
4. How does the bee co-operate?
5. Try to find other illustrations of co-operation from nature.

LESSON 32

CO-OPERATION (CONTINUED)

THERE are countless ways of co-operating at home. Think of the numberless steps and worry mother would be saved if each child was anxious to do just a small part of the daily work. And how much happier all would be, each to do his part, rather than to shift his burden on someone else.

In school there are unlimited opportunities for co-operation. One town is called "Spotless Town" because the school children club together and decide to pick up all rubbish in sight and to report every nuisance to the police. They enjoy tree-planting days, decoration days, cleaning days, and sometimes by working half a Saturday they "have a picnic" the other half. In this way the children save the city many hundred dollars and earn a splendid reputation for the city.

Children who live in the city see co-operation around them every day. The school is a co-operative enterprise. All the citizens pay taxes to keep up the school, church, park, city lights and countless conveniences we all enjoy. Every citizen should be glad to pay taxes to keep improving the city.

Few city children realize that nearly all the good things we enjoy, especially on the table, come from the farm. In order to make life pleasant and profitable in the country, city folks should try in every way to co-operate with the farmer. In this way the city folks can get cheaper and better butter, eggs, vegetables, etc. And the farmer can buy more and cheaper comforts for the farm. There are many ways of co-operating with the farmer. One way is to help in building good roads, to organize co-operative creameries, canneries,

and better methods of marketing, co-operative telephone companies, cow-testing associations, boys' clubs, etc.

There is no better example of the value of co-operation in business than the story of the co-operative movement in England. I wish every boy and girl could read "Our Story of the Co-operative Movement."

It is a long story of the struggle and privation of the poor weavers from the dark days of the earliest co-operative tailor shop in 1777 to the great wholesale society of the present day doing over a hundred million dollars' business a year.

The great, modern, co-operative movement in England owes its existence to a strike in the weaving industry in 1843. This caused hard times and untold hardships. Many children had to go without bread for days at a time. Then one Sunday afternoon 28 poor weavers, under able leadership, met and decided to start a store on the co-operative plan.

Each member put a small amount into the common treasury. With this they bought a small stock of goods. Each member bought out of the stock and paid cash for it at reasonable retail prices. He was paid a reasonable rate of interest on the money he put in, and then the net profit was divided according to the amount purchased. For example: Brown put in \$10 for which he was to get 5 per cent. interest; in a year he traded \$50 worth; the whole trade was \$5000, and the net profit was \$200. He would get 50c interest and 1% of \$200 or 25% on his investment.

EXERCISE 49

1. Tell several ways of co-operating at home.
2. Tell several ways of co-operating at school.
3. Tell several ways of co-operating in the city.
4. Tell several ways of co-operating for the good of the farmer.
5. Tell the story of the Rochdale Pioneers.

LESSON 33

PARTNERSHIP

A PARTNERSHIP is a legal relation between two or more natural persons who join their capital and skill in a common enterprise for profit. The members of such a union are called partners. It is important to study their relation principally because of the peculiar legal questions involved. The method of forming a partnership is very simple, there being practically no legal requirements whatever. Any person who is competent to make a contract may become a partner. It is even possible for a wife to become a business partner with her husband. But while the partnership may thus be organized without any formality, it is very important that the agreement be reduced to writing. Such an agreement is called "Articles of Co-partnership." Any name for the business may be adopted which cannot be shown to be an injury to another business. Each partner is personally liable for any debts of the partnership unless it is clearly held out before the public that another agreement exists between the partners. This liability extends to the private property of the partners as well as to the partnership assets. This fact is very often misunderstood by partners. Nor does the liability depend on the amount invested, or the service rendered by each partner. So long as the business is solvent, the profits or losses are divided according to the articles of co-partnership, but, if the business fails, any one partner may be held responsible for all the debts of the firm. In other words, a creditor may collect his claim of any partner he chooses and ignore the others. Thus great care should be exercised in choosing one's partners.

Following is a standard form of articles of co-partnership:

ARTICLES OF CO-PARTNERSHIP

THIS AGREEMENT WITNESSETH, That John Doe, of Auburn, Illinois, and Edward Harvey, of Auburn, Illinois, have this day agreed to associate themselves together as a co-partnership, for the purpose of engaging in the business of buying and selling for profit, Feed and Produce, at Auburn, Sangamon County, Illinois, under the firm name of Doe and Harvey, the term of said co-partnership to continue five years from and after the first day of June, 1910, unless sooner dissolved.

The investment contributed by the aforesaid partners is to be as herein set forth, to wit: John Doe contributes \$3,000 in cash, and Edward Harvey contributes \$3,000 in cash.

The profits or losses of said partnership business are to be shared equally.

With respect to the time and services given, and the compensation to be received, it is agreed that both parties shall give their entire time to the business. John Doe shall be allowed a salary of One Hundred Dollars (\$100) per month, and Edward Harvey, Eighty Dollars (\$80) per month, unless otherwise agreed between the parties.

It is also agreed that aside from the profits and compensations heretofore mentioned, neither partner is to withdraw from the business any money or other property, except with the written consent of the partners.

It is especially agreed that neither of the parties to this contract shall sign or indorse any bank note, draft or commercial paper, nor sign any official or other bond, nor do any other act to create a financial liability or obligation, without the written consent of his co-partner.

At the expiration or sooner determination of said co-partnership, the business and property of said firm may be closed out early sale, and after all debts and liabilities are paid and discharged, the amount remaining shall be divided between the partners in the ratio of their respective interests; or, if the parties so agree, the co-partnership may be continued for such further time, and upon such terms, as the members thereof may be able to agree upon.

Witness our hands this first day of June, 1910.

Witness { F. W. Brown
 { E. R. Johnson

John Doe
Edward Harvey

[SEAL]
[SEAL]

A partnership whose membership, purpose, and limitations are thus completely set forth is called a real or ostensible partnership. This term is also applied to a firm whose business is well known and where each partner is known to assume all the risk and liability of the business. A public partner is one known to the public who is active in the business and who has all the responsibilities of a partner. A secret partner is one whose connection with the business is unknown to the public, but who secretly shares in the profits of the enterprise. A limited partner is one whose liability in the business is limited to the amount of his investment. In a real partnership each partner is liable for all the acts and contracts of every other partner while acting within the scope of the partnership business. It is important to note the latter condition. One partner cannot bind another in a horse trade where the business is known to be that of selling jewelry. Should a silent partner become known to the public he becomes a real partner before the law and fully liable with the rest. A partnership may be dissolved (1) by the death of the partner; (2) by mutual agreement; (3) by decree of court. But all the obligations of the partnership must be settled out of the common assets, or made good by the individual partners, regardless of any private agreement to the contrary.

The Joint Stock Company.—A joint stock company differs from a partnership in its organization and membership only, not in the liability of the members. Its organization is like the corporation; the liability of its members and its formation are like the partnership. No legal steps are necessary to form a stock company. The capital is usually divided into shares as in the corporation, and, in voting, a member of a stock company has but one vote, regardless of his interest

in the business, while in the corporation the voting power depends on the amount of stock held. A suit must be conducted in the name of all the stockholders, and not in the name of the company through its officers.

The advantages of a stock company over a corporation are: (1) less formality in organization; (2) less publicity; (3) not affected by the corporation tax; (4) no public reports required.

EXERCISE 50

1. How is a partnership formed?
2. What kinds of partners are there?
3. What is the liability of partners?
4. Why is it important to have a partnership agreement in writing?
5. What should the agreement contain?
6. Who may become a partner?
7. Describe at least one firm of which you have knowledge, and the partnership agreement of each.
8. Is it necessary to go through any legal formalities in forming a partnership?

EXERCISE 51

1. Rewrite the articles of co-partnership given on page 136, eliminating all technical language.
2. Under the direction of your teacher, form a partnership with two of your classmates. Go through each step carefully from the first one, which will be conferring and deciding the kind of business in which you will engage, to the last one, which will be signing the articles of co-partnership.

LESSON 34

THE CORPORATION

BECAUSE of its adaptability to a large variety of conditions, the corporation has become the favorite form of business organization. Many corporations have stockholders in all parts of the world, but the organization is represented in its sphere of business and before the law by its officers and directors. Thus a corporation may be defined as an artificial person created by law either under special enactment or under general statute, to act as one person, through its officers, in its business capacity and before the law.

The formation of a corporation should be thoroughly understood by every citizen, but, it is extremely inadvisable to organize without the assistance of a competent attorney. It is not safe to lay down many general rules governing the organization of corporations, since the laws differ materially in the several states. Reliable information can be obtained free of cost from the Secretary of State in each state of the Union.

The corporation differs from the partnership in several important respects: (1) It is created by law; that is, no corporation is recognized before the law unless it is organized exactly as set forth in the statutes of the various states. (2) The liability of the stockholder extends only to the amount of his stock, unless otherwise provided in the articles of association. (3) A corporation can sue and be sued in its own name through properly qualified officers. (4) It has the power

of succession; that is, the organization is not affected by the death or disability of any stockholder. (5) The interest of a stockholder may be transferred without affecting the organization. (6) The voting power of each stockholder is proportional to the amount of his stock.

From a careful study of the Articles of Incorporation given below, it will be seen that the articles must set forth (1) the intention of forming a corporation; (2) the corporate name; (3) the place of business; (4) the purpose of the corporation; (5) amount and division of stock; (6) directors and officers; (7) duration of the business; (8) certificate of Notary Public. The form of a certificate of stock is given below.

The advantages of the corporate organization are many and important. By it the co-operative spirit is fostered; in union is strength. The small means of a large number are collected and effective capital is secured for large enterprises; members may enter or withdraw without disturbing the organization; through organization, special talents are utilized to best advantage; waste of material, labor and capital are reduced to a minimum; the publicity required by law has a wholesome influence against corruption and dishonesty.

It is not out of place, however, to give a word of caution to the uninitiated in the subject. Schemers often promote corporations for fraudulent purposes and hide their own designs behind innocent stockholders. Do not rush into incorporating; a majority of the corporations formed are failures. If you wish control of the corporation, you should control at least 51 per cent. of the capital stock.

Every stockholder should be provided with a copy of the

ARTICLES OF INCORPORATION

of The Beaver Manufacturing Company.....

We whose names are hereto subscribed, desiring to associate ourselves into a corporation for the transac- tion of business hereinafter set forth, under provisions of Chapter 1742, Code of 1912, do adopt the following Articles of Incorporation therefor, to-wit:

ARTICLE I

The name of this corporation shall be...The Beaver Manufacturing Company.....

ARTICLE II

The principal place of business of said corporation shall be in the...City.....of...Corvallis..... in the County of...Benton.....and State of...Oregon.....

ARTICLE III

The objects and purposes of this corporation shall be.....To conduct a general manu- facturing business..... (Any special rights and privileges should be very carefully stated here.).....

ARTICLE IV

The amount of the capital stock of said corporation is...(\$50000) Fifty thousand..... Dollars, divided into...500..... shares of...1000..... Dollars each.

The amount of said stock actually paid in at the date hereof is...25000..... Dollars, being...50... per centum of said capital stock.

ARTICLE V

The affairs of this corporation shall be conducted by a board of directors, who shall elect a president, a vice-president, a secretary, and a treasurer, who shall hold office...for one year or until their successors are elected..... and shall be more especially guided by the by-laws to be hereafter adopted.

ARTICLE VI

This corporation shall begin on receipt from the...Secretary..... of State a...certificate..... authorizing it to commence business, and shall terminate at the expiration of...20..... years from that date.

IN WITNESS WHEREOF, we, the persons herby associating, for the purpose of giving legal effect to these Articles, have signed our names, our places of residence, and the number of shares of stock held by each respectively:

NAME	RESIDENCE	Number of Shares
Elmer W. Brown.....	Corvallis, Oregon.....	10.....
J. W. Morgan.....	Corvallis, Oregon.....	20.....
E. T. Martin.....	Corvallis, Oregon.....	15.....
.....
.....
.....

STATE OF Oregon.....)
 County of Benton.....) ss. On this 23 day of December..... A. D. 1918
 before me, a..... Notary Public..... in and for said County personally appeared
 Elmer W. Brown, J. W. Morgan, E. T. Martin.....

I know to be the persons named in and who executed the foregoing instrument, and solemnly acknowledged that they entered the same freely and voluntarily, and for the intents and purposes therein contained and mentioned.



F. L. Smith.....
 Notary Public.....

FIG. 21.—ARTICLES OF INCORPORATION

Certificate No. 3
For Ten (10) Shares,
of Share 1, Series A
Dated December 28, 1912
and year 1912
191

\$ 100 EACH

The Beaver Manufacturing Company No. 1
State of Oregon
Capital Stock \$ 50,000
This certifies that Thos. F. Brown
is the owner of Ten (10) Shares of this Capital Stock
of The Beaver Manufacturing Company

Authorized stock only on the books of the Company, for use of the company, upon payment of the full value of the shares.

Secretary

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charter and by-laws of the corporation and also with its annual report. See to it that the minutes of the board of directors and all books of accounts are carefully kept. Every stockholder has the right to inquire into the business methods of the corporation, in manner prescribed by law.

The legal aspect of stock issue, kind of stock, dividends, surplus, etc., are subjects for commercial law.

The process of organizing a creamery, for example, is as follows: (1) A number of interested individuals meet, elect a temporary chairman and secretary, and discuss the various questions looking toward organization. At least two committees are usually appointed, one for the purpose of drawing up articles of incorporation, to be submitted at the next meeting, and another for the purpose of taking stock subscriptions. An attorney should be selected to co-operate with the committee on organization. (2) At the second meeting the minutes of the last meeting are approved, the reports of the committees are read, the articles of incorporation are adopted, and a board of directors elected according to the terms laid down in the articles. (3) The secretary is usually instructed to co-operate with the attorney in preparing the required copies of the articles of incorporation to be deposited with the proper authorities. Three copies are usually required by law, one to be filed with the Secretary of State another with the County Clerk, and the other to be retained by the secretary of the company. (4) When the Secretary of State approves the articles, he will issue a certificate of incorporation, after which the association has legal existence—as an artificial person. (5) The board of directors has full charge of the company's affairs, limited only by the expressions of the articles. They now meet and organize,

electing, usually, a president, a secretary and a treasurer. The by-laws may contain any provision not inconsistent with the articles of incorporation.

EXERCISE 52

1. What is a corporation?
2. How is it organized?
3. What legal formalities are in its organization?
4. How would you proceed to organize a bank?
5. Does the nature of the business alter the method of organization?
6. How are the terms of the organization made known to the public?
7. What constitutes the ruling authority in a corporation?
8. Name the usual officers of a corporation and their duties.
9. Discuss the advantages and disadvantages of corporations.

LESSON 35

WHAT IS A SAVINGS BANK ?

THE great purpose of the saving's bank is to collect small amounts and put them into profitable use. This enables the bank to pay interest and keep the money safely for the owners.

We learned in the lesson on co-operation that to do big things we must all pull together. We illustrated this truth in several ways but here is an illustration which is especially fitting to the savings bank.

Every boy and girl has watched the bright, sparkling brook as it tumbles down toward its destination. How many have realized that the silvery lake and the great river, where you enjoy boating and fishing, are filled by countless little creeks and streams. Even the mighty Mississippi would soon dry up if it were not for the small feeders. By catching part of the stream, or pumping it from the ground, and storing it in a reservoir, or great tank, we can let it out again through pipes in any direction and draw out a little at a time as we need it. It would be a very interesting study to trace the water in your kitchen faucet to its origin. You would then realize better than ever the great value of co-operation. Each little stream would be of small value by itself, but when added to many others it helps to water a whole city.

The savings bank is very much like the water tank; the depositors are the little streams that keep pouring their savings into the bank and then the money is drawn out in the form of loans to people who can make profitable use of it.

The first savings bank was organized in the United States

in 1818. Since then savings banks have multiplied rapidly until in 1915 the deposits were nearly \$5,000,000,000. At 3 per cent., the interest amounts to \$150,000,000, enough to keep 75,000 boys or girls in college four years.

The savings bank is exceptionally convenient for one who is beginning to save money because it is glad to accept any amount and pay it back when needed. But beginners in savings should be sure not to draw out the money until it is absolutely needed or until it is entitled to interest.

The savings bank is a safe place for your money because its business is regulated by law. It can use the money only where it is perfectly safe and sure to get it back. Several times a year it must report to the state authorities how it stands.

EXERCISE 53

1. What is the purpose of the savings bank?
2. Why is the savings bank like a water system?
3. How can the savings bank pay interest on deposits?
4. When was the first savings bank organized in the United States?
5. Why is the savings bank a safe place for your money?
6. Why is the savings bank convenient?

EXERCISE 54

1. Visit the nearest savings bank and ask the cashier for a financial statement. He will be glad to give you one and explain it to you.
2. Read with your teacher the regulations of this or some other savings bank and note the most important points.
3. Compare the bank's financial statement with the statement in Lesson 27. Wherein are they alike and wherein different?
4. Discuss with your parents what makes a "safe" bank and what an unsafe one.
5. Find out how many of your friends have savings-bank accounts.

LESSON 36

HOW A SAVINGS BANK IS ORGANIZED AND MANAGED

A NUMBER of children can easily organize a savings bank. Here is how Hubert, George, William, Carol and Edith organized and managed the Thrift Savings Bank. First, Mr. Brown was asked to help organize the bank. One day they had the first meeting in George's house. Hubert was elected the leader or chairman. Carrol was made secretary of the meeting. "The first thing you need," said Mr. Brown, "is some money before you can start a bank." This is called the capital. You remember the capital stock in Lesson 34. "You must also get permission from the Secretary of State," said Mr. Brown, "and you must send him your Articles of Association, a good deal like the ones in Lesson 34." It was agreed that Mr. Gowan, a good friend of the children, should act as Secretary of State.

The shares were made \$10. Each one of the children put in \$20 out of his savings bank. This made the capital stock \$100. They organized exactly as we were told in Lesson 34. A few days later they received permission from the Secretary of State to do business. This is called the Certificate of Incorporation. One copy of the articles was filed with the Secretary of State, one with the County Clerk and one was kept by Carrol, who was the cashier of the Thrift Savings Bank. They now agreed with William that if he would give up his playhouse for the bank, they would give him \$5 a month rent. After they had visited, in company with Mr. Brown, the savings bank in town, and

learned how it was arranged, they built counters and tables, and all was ready for business.

The next thing was to plan the books. Mr. Brown said they would need a Cash Book and a General Ledger, like those in Lessons 25 and 26, and a card ledger for the depositors as illustrated on page 151. Also a pass book for each depositor. William was hired as bookkeeper and he ruled the books and made the first entries as shown in the next lesson.

It was decided to keep only the following accounts in the General Ledger :

Capital Stock	First National Bank, Chicago
Cash	Interest and Discount
Deposits	Collection and Exchange
Loans and Discounts	Loss and Gain
Furniture and Fixtures	Dividends
Expenses	Surplus

You will notice that there is only one personal account in the General Ledger, namely a corresponding bank's account. All the depositors' accounts were kept in the Cash Ledger. How the books are kept and how the business is transacted, we will learn in the next lesson.

LESSON 37

SAVINGS BANK ACCOUNTS

William found that bank accounts are not at all difficult to keep. In fact, he found that it was almost exactly like keeping the books in Lessons 25 and 26. The only difference lies in the names of the accounts and in the card ledger for the depositors. The entries in the cash book during the first day are as follows:

THE CASH BOOK

CASH RECEIPTS

1918 April	1	Capital Stock.....	\$100 00	
		Book Deposits.....	150 00	
		Certificate of Deposits.....	50 00	
			\$300 00	

CASH PAYMENTS

1918 April	1	1 Desk (Furniture and Fixtures).....	\$10 00	
		1 Month's Rent (Expense).....	5 00	
		First National Bank, Chicago.....	50 00	
		Stationery (Expense).....	10 00	
		Loans (5).....	125 00	
		Balance on hand.....	100 00	
			\$300 00	

The General Ledger.—William now posts the entries in the cash book into the ledger as follows (on a sheet of ledger paper after the accounts listed on page 148, giving four lines to each account):

(1) CAPITAL STOCK

1918				1918			
				April	1		\$100 00
April	1	(2) Cash	\$300 00	April	1		200 00
		(3) Deposits		April	1	Dep.	150 00
				April	1	Cert.	50 00
April	1	(4) Loans	125 00				
April	1	(5) Furniture & Fixtures	10 00				
April	1	(6) Expense	5 00				
April	1		10 00				
April	1	(7) First National Bank, Chicago	50 00				

The Daily Balance.—The bank takes a trial balance every day. Here is the trial balance of William’s ledger. It is taken exactly in the same manner as in Lesson 26.

		APRIL 1, 1918		Dr.	Cr.
1	Capital Stock.....				\$100 00
2	Cash.....	\$100 00			
3	Deposits.....				200 00
4	Loans.....		125 00		
5	Furniture & Fixtures.....		10 00		
6	Expense.....		15 00		
7	First National Bank, Chicago.....		50 00		
				\$300 00	\$300 00

Explanation.—In this trial balance all the items on the debit side except “Expense” are assets and all on the credit side are liabilities except “Interest and Discount” and “Collection and Exchange.”

Capital stock shows how much the bank is owing the stockholders.

Deposits show how much the bank owes the depositors.

Loans show what borrowers owe the bank.

Furniture and fixtures show what the desks, counters, typewriters and other permanent fixtures are worth.

Expense was explained in Lesson 25.

First National Bank, Chicago is where the Thrift Savings Bank keeps its money to draw out when people buy drafts.

DEPOSITORS' LEDGER

		Hubert Lewis		Dr.	Cr.	Bal.
1918						
April	1	Depositors.....			\$15 00	
	10	Check.....	\$2 00			\$13 00

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..... \$20.00

..... 10.00

..... 10.00

..... 15.00

..... 20.00

\$150.00

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LESSON 38

SAVINGS-BANK ACCOUNTS (Continued)

DURING the rest of the month of April the transactions of Thrift Savings Bank were as follows:

Cash Receipts.—Deposits \$3900; First National Bank for drafts sold and drawn against them, \$200; Interest and Discount \$35; Collection and Exchange, \$20; Loan, \$400.

Enter these under the Cash Receipts dated April 30.

Cash Payments.—Deposits withdrawn by check, \$200 (Carrol White, \$5; Elizabeth Smith, \$5; George Hart, \$15; sundry checks, \$175); Expense, \$25; Loan, \$3000; First National Bank, \$500.

Enter these under Cash Payments dated April 30. The Cash balance is \$930.

The pupil will now post the above entries under the same accounts as in the last lesson, the payments on the debit side and the receipts on the credit side of the ledger.

Having posted, he will take a trial balance in exactly the same form as in the last lesson. The total of the balances is \$4055.

Fill in the following form from the ledger:

TRIAL BALANCE, APRIL 30, 1918		Dr.	Cr.
1.	Capital stock		
2.	Cash.....		
3.	Deposits		
4.	Loans.....		
5.	Furniture & fixtures.....		
6.	Expense.....		
7.	First National Bank.....		
8.	Interest & discount.....		
9.	Collection & exchange.....		
	Total		

The next step is to prepare the statement of Loss and Gain by filling out from the trial balance the items checked below:

PROFIT AND LOSS STATEMENT

LOSSES			GAINS		
Expense .....	.....		Interest.....	.....
Net Profit* .....	.....		Collection and Exchange.....	.....

And finally the student will prepare the Monthly Statement from the Trial Balance and the Profit and Loss Statement, as follows:

THRIFT SAVINGS BANK

ASSETS AND LIABILITIES, APRIL 30, 1918

ASSETS			LIABILITIES		
Cash			Capital Stock.....		
Loans			Deposits.....		
Furniture and Fixtures.			Surplus (Net Gain)*..		
First National Bank. . .					
	\$4015	00		\$4015	00

* Difference between debits and credits written in red.

LESSON 39

THE SCHOOL SAVINGS BANK

What It Is.—The School Savings Bank is a co-operative enterprise by the pupils and the teachers in schools, and by the local banks for the purpose of promoting thrift and better living.

History.—One of the most interesting and instructive chapters in Savings-Bank history is how this institution was transplanted from Europe into the United States. It is a curious fact that this institution was first introduced into an Indian training school at Beloit, Wisconsin, in 1879. However, it was not until 1885 that the system was firmly established in the United States. Like almost everything great and of enduring value, it made its appearance unheralded and in the humblest possible manner. In 1885 an unassuming Belgian, J. H. Thiry, who had learned and lived thrift in his native country, first tried the experiment in Long Island, New York. The tiny seed grew and the plant has become a mighty tree, spreading its branches over 30 states in the Union. Its fruit consists of over \$5,000,000 of children's savings, and lessons of great value in the promotion of thrift and better living. Much credit should be given Mrs. Sara Louisa Oberhaltzer, of Philadelphia, for her untiring work for the School Savings Bank.

How to Organize.—The usual method of organizing a School Savings Bank is as follows: The teacher acts as the organizer and also as the president of the bank. All the various offices below that of president are filled by pupils:

Cashier, teller, bookkeeper, etc. The organization is perfected in a similar manner to that described in Lesson 36.

Co-operation With Banks.—The co-operation of the local savings bank should be secured. This is generally very easily accomplished. Care should be taken to distribute the deposits equitably among the different banks in the town or city so as to secure hearty co-operation. In many instances the bank is willing to assume the small cost of blank forms, or the School Board will be glad to provide them.

How to Keep School Savings Banks.—The original regulations and bookkeeping systems of Mr. Thiry are shown in the following forms which are self-explanatory:*

SCHOOL SAVINGS BANK
OF

Account with _____

Teacher

Depositors are requested to keep this card clean, remembering that cleanliness is next to godliness.

REGULATIONS

Deposits will be received every *Monday only*, at the morning session roll call, by the teachers of each school. The amount will be delivered to the principal, who will deposit it in the Savings Bank, in the name of each depositor.

One cent or upward can be received by the teacher. When a pupil has a deposit of one dollar or more, a bank book will be given, free of charge, from the bank.

* Permission to use the copyright card as well as literature and school supplies can be obtained at low rates from Mrs. S. L. Oberhaltzer, 2113 Tioga Street, Philadelphia.

Deposits of three dollars and over will bear interest at—per cent. per annum.

The bank books of the pupils, while they attend school, are in charge of the principal or teacher. When the pupils leave school, and also during vacation, their books will be given to them. The check for the withdrawal of money must be signed by the pupil and also by the principal, teacher or parent. During the summer vacation, deposits may be made and money withdrawn from the bank direct, the cashier acting during that time for the teacher. Should the applicant be unknown to the cashier, he must be identified before receiving the money.

The forms used are: The Scholar's Card, Teacher's Roll Book, Collection Envelope, Principal's Record, and Pupil's Check.

COLLECTION ENVELOPE

By pupils of _____ School
 _____ Teacher

NAME	Deposited during month of 19								Total for Month	Previ- ously De- posited	Checks during month	Total Balance to date
	\$	c	\$	c	\$	c	\$	c				

TEACHER'S ROLL BOOK
 SCHOOL SAVINGS DEPOSITS

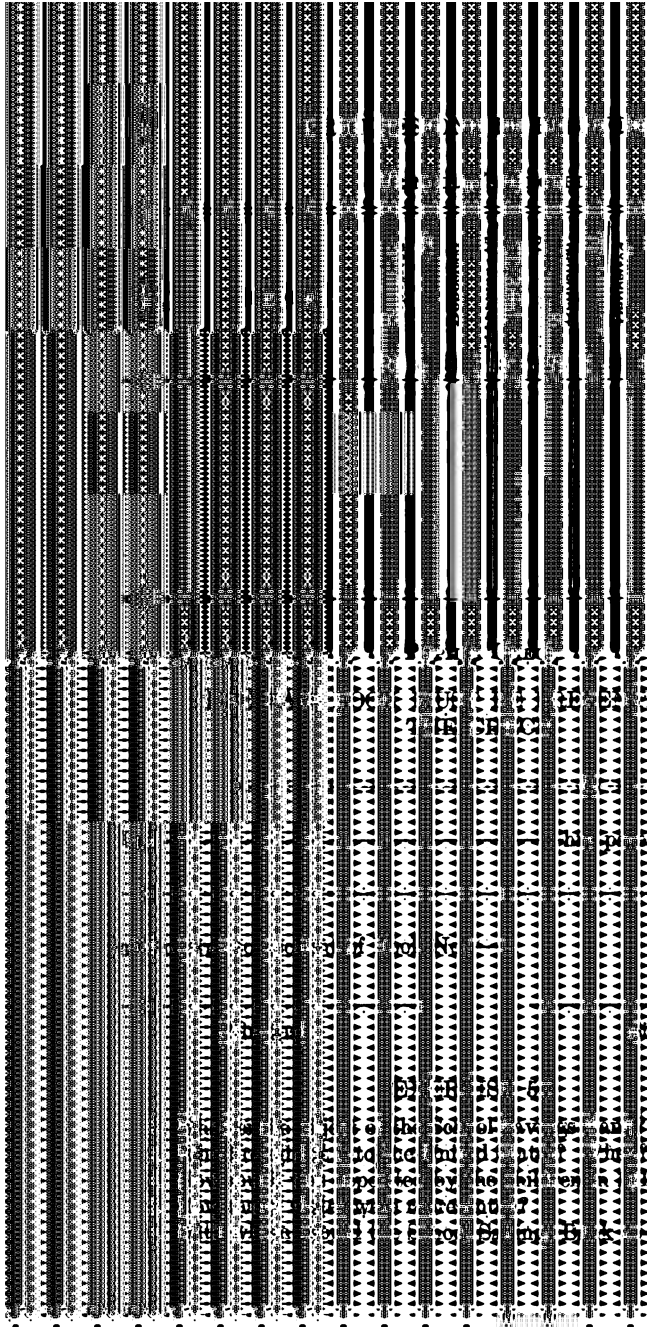
Room No. _____ \$ _____
 _____ School
 _____ Teacher.

THE SCHOOL SAVINGS BANK

SCHOLAR'S CARD—SCHOOL SAVINGS BANK

Date of deposit		Amount \$ cts.		Date of deposit		Amount \$ cts.	
September	2			March	3		
September	9			March	10		
September	16			March	17		
September	23			March	24		
September	30			March	31		
October	7			April	7		
October	14			April	14		
October	21			April	21		
October	28			April	28		
November	4			May	5		
November	11			May	12		
November	18			May	19		
November	25			May	26		
December	2			June	2		
December	9			June	9		
December	16			June	16		
December	23			June	23		
December	30			June	30		
January	6			July	7		
January	13			July	14		
January	20			July	21		
January	27			July	28		
February	3			August	4		
February	10			August	11		
February	17			August	18		
February	24			August	25		

DEPOSITED in _____ to the credit of
the following pupils of _____ School
_____ Teacher



...ED WITH

...ents or guardians,

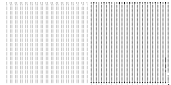
...dollars

...gnature

...57

...operate?

☛	Deposited
c	.....19..
☛	Deposited
c	.....19..
☛	Deposited
c	.....19..



EXERCISE 57

1. Ask your teacher to organize a School Savings Bank.
2. Rule the necessary blanks in Lesson 39 and organize a school bank to suit the needs of your school.
3. Try to find at least five advantages of the School Savings Bank.

EXERCISE 58

1. How may children start a savings bank?
2. Can anyone start a bank without permission?
3. What is meant by capital?
4. What books are necessary in savings banks?
5. What accounts are kept in the General Ledger?
6. What accounts are kept in the Depositors' Ledger?

EXERCISE 59

1. Join with at least four other children and organize a savings bank.
2. Rule the books on a sheet of practice paper.
3. Look up the definitions and learn the spelling of all the new words in this lesson.
4. Review Lessons 13, 14 and 15.
5. Tell all you know about your visit to the local savings bank.

LESSON 40

THE POSTAL SAVINGS SYSTEM

OUR National Government at Washington is interested in the welfare of every person living within its jurisdiction. It realizes that its people cannot prosper and maintain their standing among the nations of the world unless they save regularly a part of their earnings.

In order to promote savings, Congress established the Postal Savings System by an Act dated June 25, 1910.

Everyone is acquainted with the local post-office and everyone has faith in the Government, and therefore thousands of people who know little or nothing about banking, or perhaps fear that their money is not safe in a bank, have become regular depositors in the Postal Savings system.

On June 30, 1915, the post-office reported over 65½ million dollars in deposits, of which over 60 million was held by banks. This is a splendid showing for only five years' service. The simplicity of the system, the absolute safety and its practicability should appeal to every citizen. The entire plan is well set forth in the following extract from the "Postal Regulations" with which every boy and girl should be familiar.

Purpose.—The Postal Savings System provides facilities for depositing savings at interest, with the security of the United States Government for repayment.

Service Free.—No charge or fee is collected or required in connection with the opening of an account or the subsequent deposit or withdrawal of money. The proper money order fee is charged, however, when withdrawals are made by mail.

Deposits.—Any person of the age of 10 years or over may become a depositor. The account of a married woman is free from the control or interference of her husband. No person can have more than one account at the same time.

An account cannot be opened for less than \$1.00 nor can fractions of \$1.00 be deposited or withdrawn. Amounts less than \$1.00 may, however, be saved by the purchase of 10-cent postal savings cards and adhesive 10-cent postal savings stamps. A postal savings card with nine postal savings stamps affixed will be redeemed in cash for \$1.00, or will be accepted as a deposit of \$1.00 either in opening an account or adding to an existing account. No person is permitted to deposit more than \$100 in any one calendar month, nor to have a balance to his credit at one time of more than \$500, exclusive of interest. An account may be opened through a representative. After an account is opened, deposits may be made through a representative or by mail.

Certificates of Deposit.—Depositors receive postal savings certificates covering the amount of each deposit made. These certificates are issued in fixed denominations of \$1.00, \$2.00, \$5.00, \$10, \$20, \$50 and \$100, and are valid until paid, without limitation as to time. Postmasters are not permitted to receive savings certificates for safe keeping.

Interest.—Interest will be allowed on all certificates at the rate of 2 per cent. for each full year that the money remains on deposit, beginning on the first day of the month following the month in which the deposit is made. Interest continues to accrue on deposits as long as the certificates remain outstanding.

Withdrawals.—A depositor may at any time withdraw the whole or any part of his deposits, with any interest payable, by surrendering at his depository office savings certificates covering the desired amount. Withdrawals may also be made through a representative or by mail.

Bonds.—Any depositor may, under certain conditions, exchange the whole or any part of his deposits, in sums of \$20 to any multiple of \$20 up to and including \$500, for United States Coupon or registered bonds, bearing interest at the rate of 2½ per cent., such bonds to be exempt from all taxes or duties of the United States as well as from taxation in any form by or under State, municipal, or local authority. Postal savings bonds are not counted as part of the balance of \$500 allowed to one depositor. On the application of any holder, these bonds will be purchased at par by the Board of Trustees of the Postal Savings System.

Expenses are very light, being practically only for stationery, since very few additional employes are needed to run the Savings Department of the post-office. The Government can afford to pay 2 per cent. interest on deposits because it loans the money deposited in the post-office to the local banks at $2\frac{1}{2}$ per cent. interest. The difference, $\frac{1}{2}$ per cent, is used to pay the expense of the system.

EXERCISE 60

1. Why was the Postal Savings System established?
2. When was it established? By whom?
3. What were the results of the first five years?
4. Who may deposit? What age limit?
5. What are the limits of deposits?
6. What rate of interest is paid the depositor? How can the Government afford to pay this interest?
7. Explain the card or stamp system.
8. Explain the certificate of deposit.
9. How may deposits be withdrawn?
10. Explain the Postal Savings Bonds.

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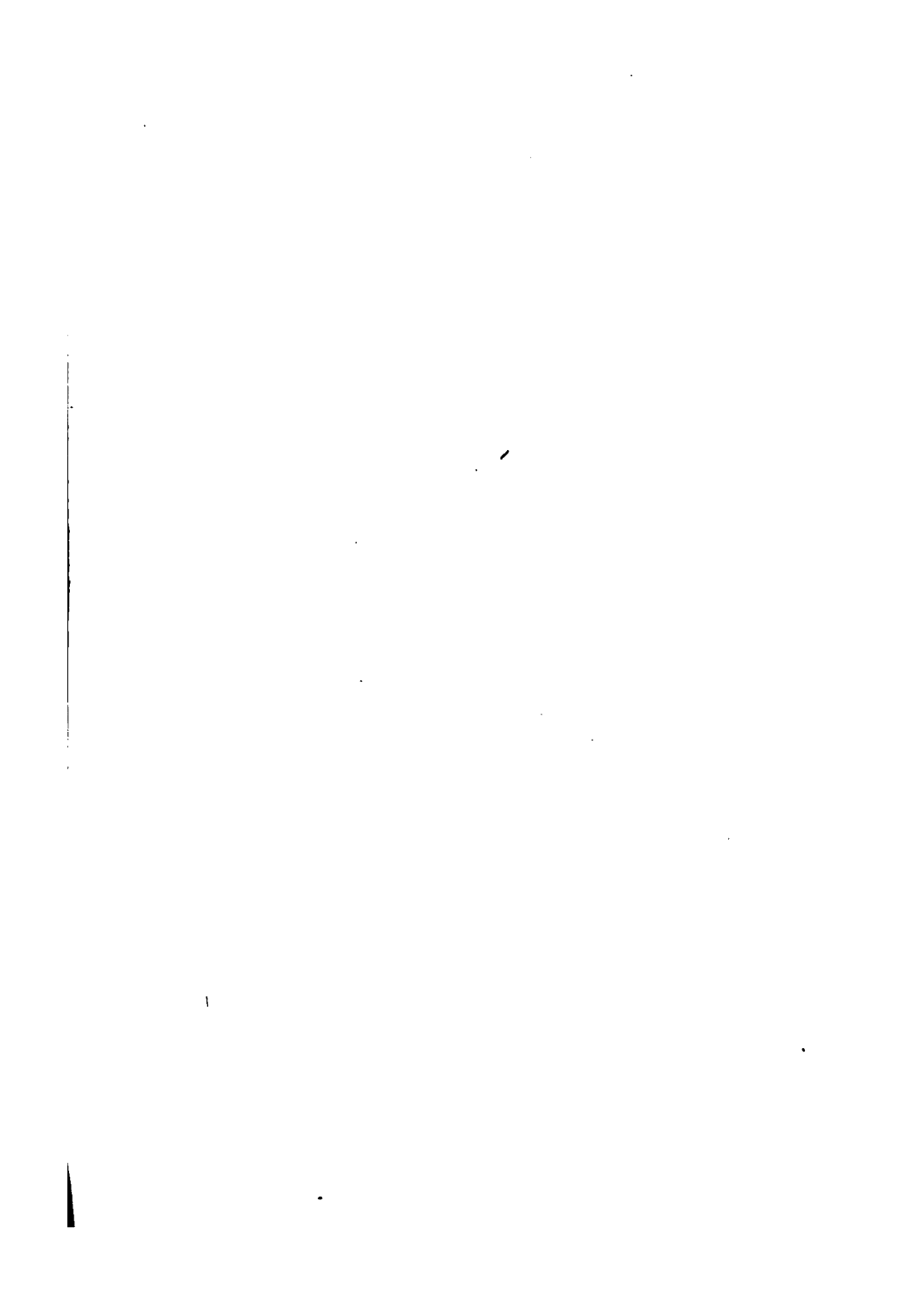
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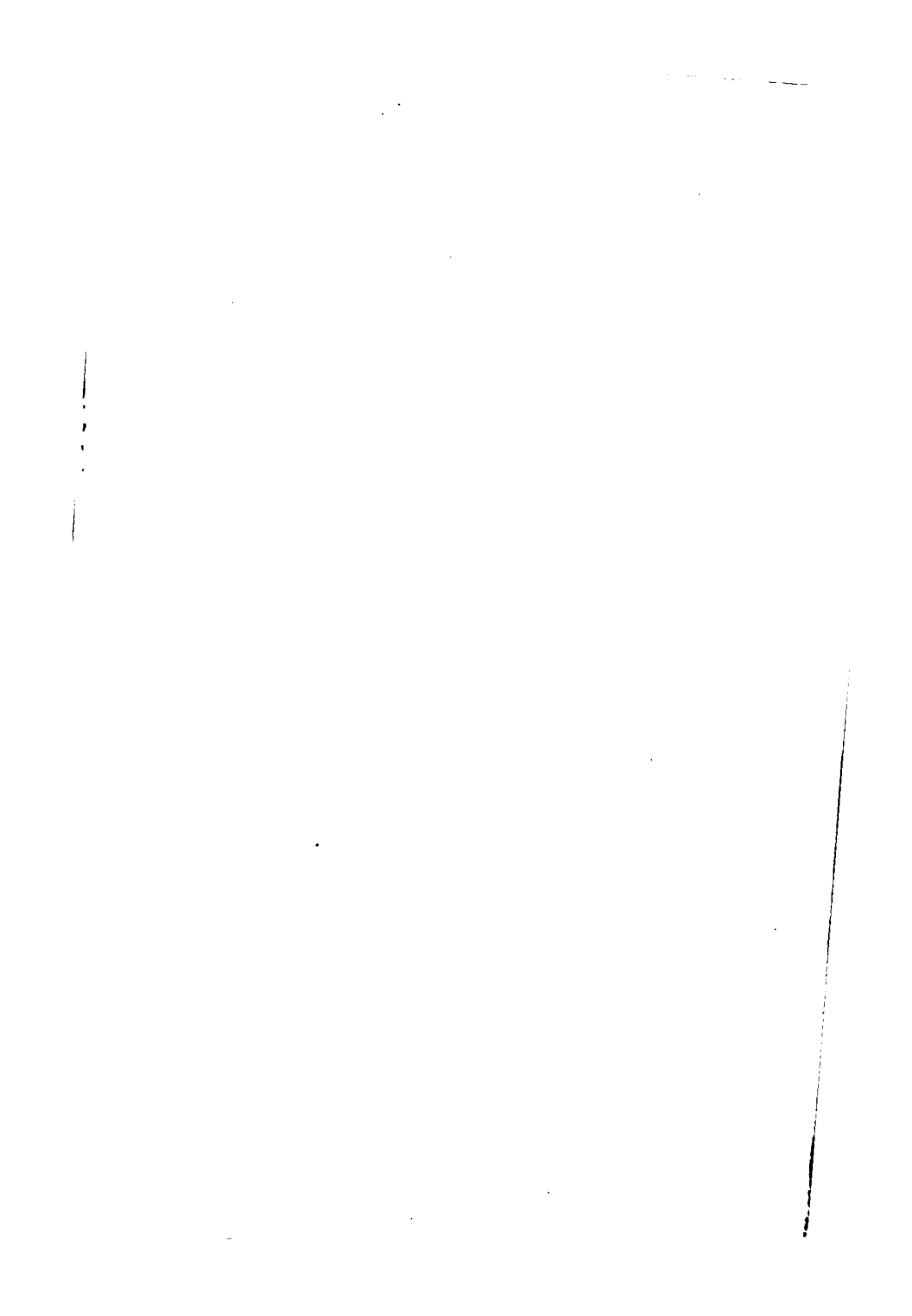
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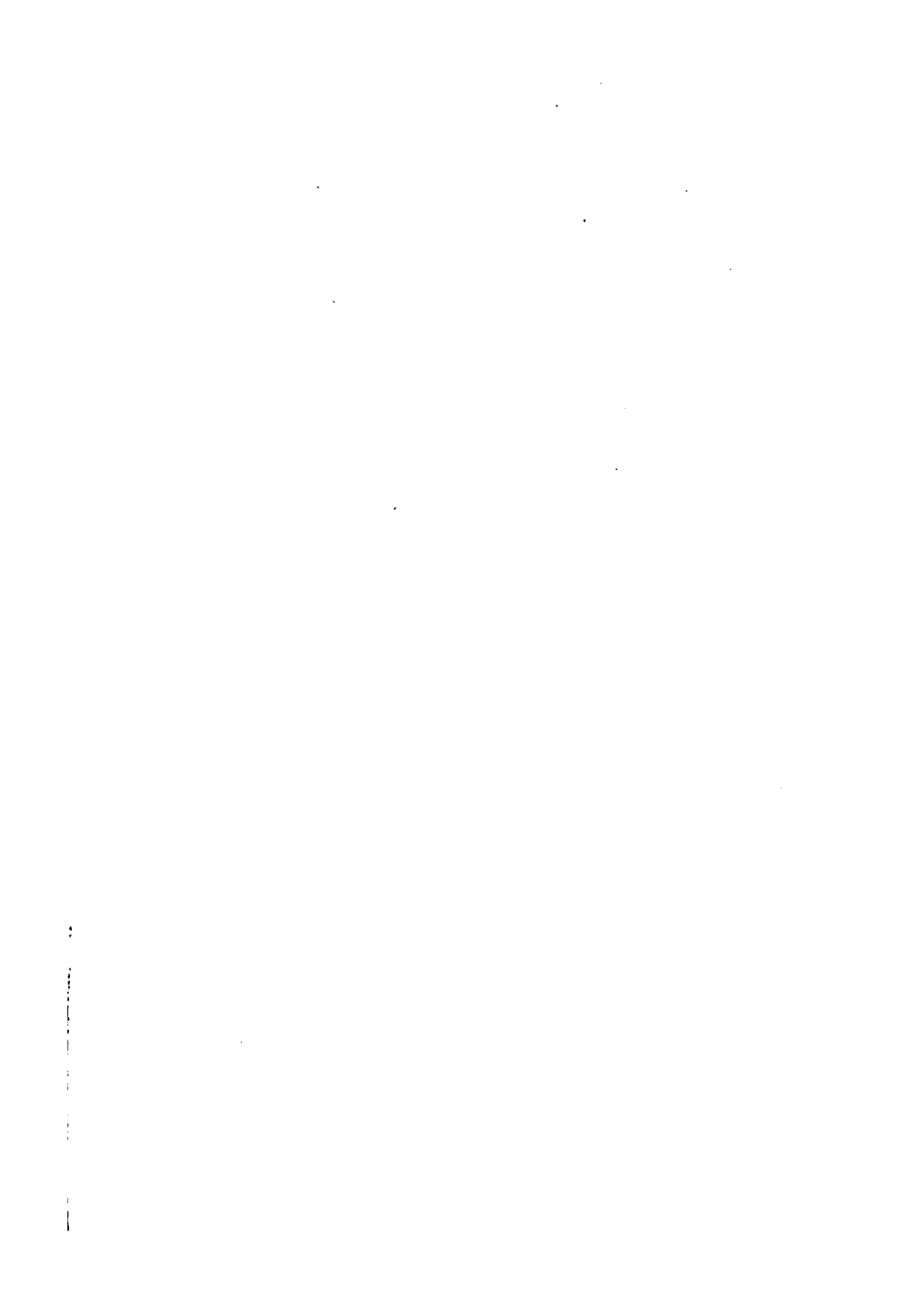
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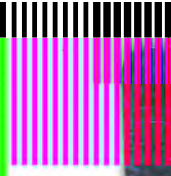








Vertical barcode lines on the left side of the document.



... returned to
... the last date
... incurred
... the specified
... day

